

**To:** Nancy Halwig[ndhalwig@aol.com]  
**Cc:** Josey, J. Rene[JJosey@TurnerPadget.com]  
**From:** Crow, Ken  
**Sent:** Thur 10/15/2015 6:12:18 PM  
**Subject:** Re: Summary of meeting

Mrs. Halwig,

Thank you for the summary of our meeting. Look forward to helping resolve your issue.

Have a great weekend.

Ken

Sent from my iPhone

On Oct 15, 2015, at 2:00 PM, Nancy Halwig <ndhalwig@aol.com<mailto:ndhalwig@aol.com>> wrote:

Resending. First attempt was returned as I had the wrong email for Ken

Sent from my iPhone

Begin forwarded message:

From: Nancy Halwig <ndhalwig@aol.com<mailto:ndhalwig@aol.com>>  
 Date: October 15, 2015 at 8:57:45 AM EDT  
 To: "kencrow@centurygolf.com<mailto:kencrow@centurygolf.com>"  
 <kencrow@centurygolf.com<mailto:kencrow@centurygolf.com>>  
 Cc: "josey@turnerpadget.com<mailto:josey@turnerpadget.com>"  
 <josey@turnerpadget.com<mailto:josey@turnerpadget.com>>  
 Subject: Summary of meeting

Gary and Ken

This is a summary of points we discussed in our impromptu meeting on Tuesday afternoon. It was a pleasure to meet you. We look to your cooperation and collaboration.

As we discussed this situation has been a multi year problem exacerbated by the each spring and fall high tides. We have repeatedly asked Pelorus and the Arnolds to maintain and to repair their portions of the seawall. Unfortunately neither party has for whatever reason been able to fulfill their obligations to maintain their properties which has resulted in numerous blowouts and ultimately major erosion of their properties. Their neglect has impacted us with significant ongoing water damage and a need for us to battle erosion of our property. We had to apply to get permission for a "temporary" sidewall seawall to maintain our property while both parties to the North continue to be unable to bring together the resources to repair their respective sea walls. We have spent thousands on sand to backfill our walls and for ongoing needed maintenance of the walls.

Another major issue has been the beach renourishment issue. As this is another problem that has been delayed by a lack of resources by Pelorus in addition to the fact that the renourishment requires significant permitting and coordination by multiple parties the properties, the area south of the seawall has been completely degraded extinguishing the paved access road, the lots, the temporary access road and now the sewer and water pipes are exposed and are imperiled.

As a result we are now landlocked by the golf course and logs which were placed in front of our properties and the roadway along the Noller properties.

We request a temporary easement for delivery of essential services and for access to our home across the golf course between the 16th green and the 17th tee box. We need a road that is solid enough to hold the weight of routine service vehicles such as propane delivery, garbage pick up and yard maintenance. It also must be wide enough for a fire truck, an ambulance, and equipment to repair the seawall and replace sand. We realize the

need for a roadway that is attractive and suggest crushed oyster shells over a roadbed of packed sand or however such roads are constructed. Haig Point has several of these type of roadways along their waterfront.

We also request that the unsightly logs be removed. They are infested with bugs and are rotting. In addition the golf course has allowed weeds and debris to grow up and be left around them. A rope or some other barrier that is mutually agreed upon that will be attractive and maintained by the course could be discussed.

We would be willing to agree to cross the golf course at our own peril and when crossing with a motorized vehicles to use only the easement road. Our rental guests would be told and required to sign a waiver of liability to both the course and to us for the peril of crossing the course. We would tell them they will face fines and actions against them by course management for failure to stay on the easement road. We will require rental guests to sign and acknowledge the rules, waive liability and to be made aware of fines.

You said you were meeting to discuss the situation. We look forward to your response.

Michael and Nancy Halwig

Sent from my iPad

**Mike Guastella**

---

**From:** Cornett, Penny  
**Sent:** Wednesday, November 25, 2015 8:25 AM  
**To:** Mike Guastella  
**Subject:** Re: DIUC- Driftwood service area erosion

Mike,

We would come out and take a look at it. Of course if there's no water service, there will be no sewage.

Penny Cornett  
 SC Department of Health & Environmental Control  
 Low Country BEHS Beaufort  
 104 Parker Drive  
 Burton, SC 29906  
 Office: 843-846-1030  
 Fax: 843-846-0604  
 Cell: 843-473-5048

---

**From:** Mike Guastella <mjg@guastella.com>  
**Sent:** Tuesday, November 24, 2015 6:34 PM  
**To:** Cornett, Penny  
**Subject:** Re: DIUC- Driftwood service area erosion

Penny,  
 I should have specified that , that is exposed water main in the pictures. The sewer runs parallel, but with the rate of erosion it's likely to become exposed soon as well, along with the customer service lines. I've been in contact with the PSC concerning our obligation to move the our mains, and am working on that side of this with them. If we do get to the point at which continuing service would risk the hazard of a sewage spill, does DHEC have any confirmation process to confirm the risk that we've assessed?

Thanks,

Mike Guastella

Sent from my iPhone

On Nov 24, 2015, at 4:45 PM, Cornett, Penny <[CORNETPA@dhec.sc.gov](mailto:CORNETPA@dhec.sc.gov)> wrote:

Thanks Mike. I would go ahead and notify the customers that to prevent an unauthorized discharge, service will be discontinued if the line is compromised. Is there a way to re-route the sewer line away from the eroded area? With the full moon this week, tides will be high again.

Penny Cornett  
 SC Department of Health & Environmental Control  
 Low Country BEHS Beaufort  
 104 Parker Drive  
 Burton, SC 29906  
 Office: 843-846-1030  
 Fax: 843-846-0604  
 Cell: 843-473-5048

---

**From:** Mike Guastella <[mjg@guastella.com](mailto:mjg@guastella.com)>  
**Sent:** Tuesday, November 24, 2015 2:47 PM  
**To:** Cornett, Penny  
**Subject:** DIUC- Driftwood service area erosion

Penny,

I am contacting you in regards to the erosion that is occurring at the Driftwood service area in Melrose. Though we are able to continue to provide service to the remaining few customers, my concern is avoiding any environmental issues if there is another severe storm/tide/wave event. We have implemented some measures to protect the system (braces around joints of water mains, Capping portions of the collection system that served now abandoned homes, sealing manholes). There are still 3 customers that are in the immediate erosion area which eroded more in the past 6 weeks or so than in the past 4 years. Because of that accelerated erosion I wanted to be able to inform the remaining customers of the possibility of us having to shut service off, if that would be the case.

I do have many more pictures that I can provide, if you'd like.

IMG 0453- September 29  
 IMG 4471- October 29  
 IMG 4538- November 12

Appreciate your Assistance!

Thanks,

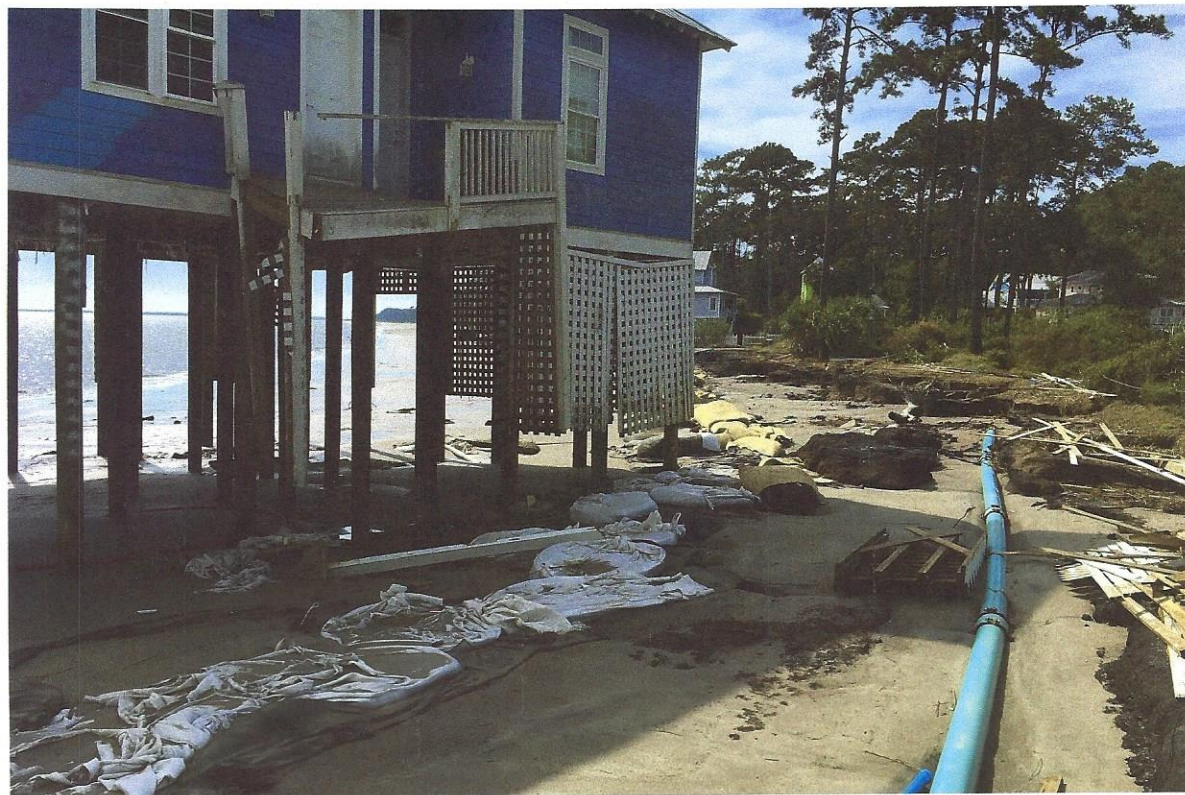
Mike Guastella

Guastella Associates, LLC  
 Vice President – Operations  
 725 N. Hwy A1A, Suite B103  
 Jupiter, FL 33477  
[mjg@guastella.com](mailto:mjg@guastella.com)  
 office# 617.423.3030  
 cell# 775.267.7035  
 Fax# 617.423.2929





DIUC 0005







DIUC 0007

**To:** Josey, J. Rene[JJosey@TurnerPadget.com]  
**From:** jmhalwigmd@aol.com  
**Sent:** Wed 11/4/2015 1:50:57 PM  
**Subject:** Fwd: J. Michael Halwig MD commented on your site!

Please see below. I am getting the run around from the utility company. We will need to send a "nasty lawyer letter" requesting rerouting of the sewer and water once we find out the details of the easement if that is an option.

-----Original Message-----

From: Guastella Admin <admin@guastella.com>  
To: jmhalwigmd <jmhalwigmd@aol.com>  
Sent: Tue, Nov 3, 2015 4:37 pm  
Subject: RE: J. Michael Halwig MD commented on your site!

Mr. Halwig,

Daufuskie Island Utility Company, will continue providing service to all customers as originally designed and in accordance with all regulatory requirements.

Thanks,

Carolyn Carleton

[www.daufuskieislandutility.com](http://www.daufuskieislandutility.com)

**From:** [jmhalwigmd@aol.com](mailto:jmhalwigmd@aol.com) [mailto:[jmhalwigmd@aol.com](mailto:jmhalwigmd@aol.com)]  
**Sent:** Tuesday, November 03, 2015 10:20 AM  
**To:** [admin@guastella.com](mailto:admin@guastella.com)  
**Subject:** Fwd: J. Michael Halwig MD commented on your site!

I have been trying to get a specific plan of action since my initial email of 10/13/15. Can you provide me with that information?

-----Original Message-----

From: jmhalwigmd <[jmhalwigmd@aol.com](mailto:jmhalwigmd@aol.com)>  
To: admin <[admin@guastella.com](mailto:admin@guastella.com)>  
Sent: Wed, Oct 28, 2015 8:38 am  
Subject: Re: J. Michael Halwig MD commented on your site!

Thanks for the follow-up. I still have not been informed of the Utility's plan for maintenance of water/sewer access to our properties.

-----Original Message-----

From: Guastella Admin <[admin@guastella.com](mailto:admin@guastella.com)>  
To: jmhalwigmd <[jmhalwigmd@aol.com](mailto:jmhalwigmd@aol.com)>  
Sent: Tue, Oct 27, 2015 5:31 pm  
Subject: RE: J. Michael Halwig MD commented on your site!

Hi Mr. Halwig,

The utility would like to inform you that your water service will be temporarily shut off due to the high tides and wave action. Crews will be on site and the service is expected to be restored by the end of the day on the 28<sup>th</sup> of October. Please accept our apologies for any inconvenience.

Sincerely,

Carolyn

Carolyn Carleton  
Daufuskie Island Utility Company, Inc  
617-423-2323

**From:** [jmhalwigmd@aol.com](mailto:jmhalwigmd@aol.com) [mailto:[jmhalwigmd@aol.com](mailto:jmhalwigmd@aol.com)]  
**Sent:** Tuesday, October 27, 2015 9:09 AM  
**To:** [admin@guastella.com](mailto:admin@guastella.com)  
**Subject:** Re: J. Michael Halwig MD commented on your site!

What are the plans to protect the system?

-----Original Message-----

**From:** Carolyn Carleton <[admin@guastella.com](mailto:admin@guastella.com)>  
**To:** [jmhalwigmd](mailto:jmhalwigmd@aol.com) <[jmhalwigmd@aol.com](mailto:jmhalwigmd@aol.com)>  
**Sent:** Tue, Oct 27, 2015 8:56 am  
**Subject:** Re: J. Michael Halwig MD commented on your site!  
Mr. Halwig,

We understand your concerns. We are continuing to provide uninterrupted service to all customers in the Driftwood area. Our operators are monitoring the service main daily and are working with outside contractors to protect the system.

Thank you,  
Carolyn

Carolyn Carleton  
617-423-3030

On Oct 26, 2015, at 9:22 AM, [jmhalwigmd@aol.com](mailto:jmhalwigmd@aol.com) wrote:

What is the status of my request listed below?

-----Original Message-----

**From:** Guastella Admin <[admin@guastella.com](mailto:admin@guastella.com)>  
**To:** JMHalwigMD <[JMHalwigMD@aol.com](mailto:JMHalwigMD@aol.com)>  
**Sent:** Wed, Oct 14, 2015 1:56 pm  
**Subject:** RE: J. Michael Halwig MD commented on your site!  
Mr. Halwig,

I am aware that there has been recent direct communications with our operators concerning this issue. And in response to your email from 10/13/2015 and 10/14/2015, the erosion along the beach near the Driftwood service area is and has been one of our primary concerns. Our operators have been working continuously on this issue. Though South Carolina is currently under a state of emergency we are doing everything in our means to continue service to your water and sewer laterals.

Carolyn

---

**From:** J. Michael Halwig MD [mailto:[support@strikingly.com](mailto:support@strikingly.com)]  
**Sent:** Wednesday, October 14, 2015 12:05 PM  
**To:** [admin@guastella.com](mailto:admin@guastella.com)  
**Subject:** J. Michael Halwig MD commented on your site!

**J. Michael Halwig MD commented on your site**

[http://www.daufuskieislandutility.com/!](http://www.daufuskieislandutility.com/)

I am following up from my previous communication which I have not received a response

from. The water and sewer pipes continue to erode behind the houses on Driftwood Cottage. There needs to be an immediate plan to protect those pipes. From my understanding there is an emergency order that the Melrose POA obtained to create a temporary road for emergency access which has now washed away. That allowed for large sand bags to be placed. I am suggesting in addition to whatever plans you already have is to contract with Tim Whittaker at (423) 202-6677 who did the work. He should be able to bring in those bags ASAP. He would need put down some sand to cross over to place them. I have instructed my lawyer Rene Josey of Turner Padgett to begin proceedings to compel the water company to run sewer and water to our property across the golf course from the homes on Martinagel that have service if the service across Driftwood is lost. Our electricity was run under the course so we are not at risk from loss of power to our lift station. I will follow this email up with a certified letter when we return to Atlanta from Daufuskie on Monday. If you provide me with an e-mail address I can provide you current photos of the situation.

- Email: [JMHalwigMD@aol.com](mailto:JMHalwigMD@aol.com)

- Name: J. Michael Halwig MD

- Phone:

**SEE ALL YOUR RESPONSES**

Reply to this email directly to respond to J. Michael Halwig MD ([JMHalwigMD@aol.com](mailto:JMHalwigMD@aol.com)).

[UNSUBSCRIBE](#)

[SUPPORT@STRIKINGLY.COM](mailto:SUPPORT@STRIKINGLY.COM)

<image001.jpg>



**Mike Guastella**

---

**From:** Hipp, Dawn  
**Sent:** Tuesday, November 24, 2015 1:47 PM  
**To:** Mike Guastella  
**Cc:** Morgan, Willie  
**Subject:** RE: Erosion Issue

Thanks! We will call your cell!



Dawn Hipp  
 Office of Regulatory Staff  
 1401 Main Street, Suite 900  
 Columbia, SC 29201  
 Office phone 803.737.0814  
 Office fax 803.737.0801  
[www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov)

---

**From:** Mike Guastella [mailto:mjg@guastella.com]  
**Sent:** Tuesday, November 24, 2015 1:12 PM  
**To:** Hipp, Dawn  
**Cc:** Morgan, Willie  
**Subject:** Re: Erosion Issue

Yes, 3-315 today will work.

Thanks,

Mike Guastella

Sent from my iPhone

On Nov 24, 2015, at 12:13 PM, Hipp, Dawn <[dhipp@regstaff.sc.gov](mailto:dhipp@regstaff.sc.gov)> wrote:

Thanks so much, Mike! This is helpful. Would you be available for a call around 3-3:15 today?

<image001.jpg>

Dawn Hipp  
 Office of Regulatory Staff  
 1401 Main Street, Suite 900

Columbia, SC 29201  
Office phone 803.737.0814  
Office fax 803.737.0801  
[www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov)

---

**From:** Mike Guastella [<mailto:mjg@guastella.com>]  
**Sent:** Tuesday, November 24, 2015 11:05 AM  
**To:** Hipp, Dawn  
**Cc:** Morgan, Willie  
**Subject:** RE: Erosion Issue

Dawn,

See attachments.

**Image 1-** View of residence at 46 Driftwood across cart path and 17<sup>th</sup> T-Box at Melrose Golf Club.

**Image 2-** View from 46 Driftwood towards Martinangel Lane which is on the other side of the homes. Nearest Utility lines.

**Driftwood-aerial 4-** This is a screen shot taken from google maps, with rough markings of existing service lines, erosion and requested service lines.

**DIUC-Driftwood service area-** Taken from our service maps that I believe you have on file. Also includes rough markings of what is shown in the aerial shot.

As we discussed DIUC has and is providing service to this residence. The customer has requested that it be relocated. It is my understanding that this is a rental property and not the customers primary residence. Don't hesitate to contact me with any questions. I do have more pictures of the erosion area that include the residence in question. I'll try not to subject you to anymore of my "artwork" aka 'rough markings'

We very much appreciate your assistance!

Thanks,

Mike Guastella

Guastella Associates, LLC  
Vice President – Operations  
725 N. Hwy A1A, Suite B103  
Jupiter, FL 33477  
[mjg@guastella.com](mailto:mjg@guastella.com)  
office# 617.423.3030  
cell# 775.267.7035  
Fax# 617.423.2929

---

**From:** Hipp, Dawn [<mailto:dhipp@regstaff.sc.gov>]  
**Sent:** Tuesday, November 24, 2015 9:37 AM  
**To:** Mike Guastella  
**Cc:** Morgan, Willie  
**Subject:** Erosion Issue

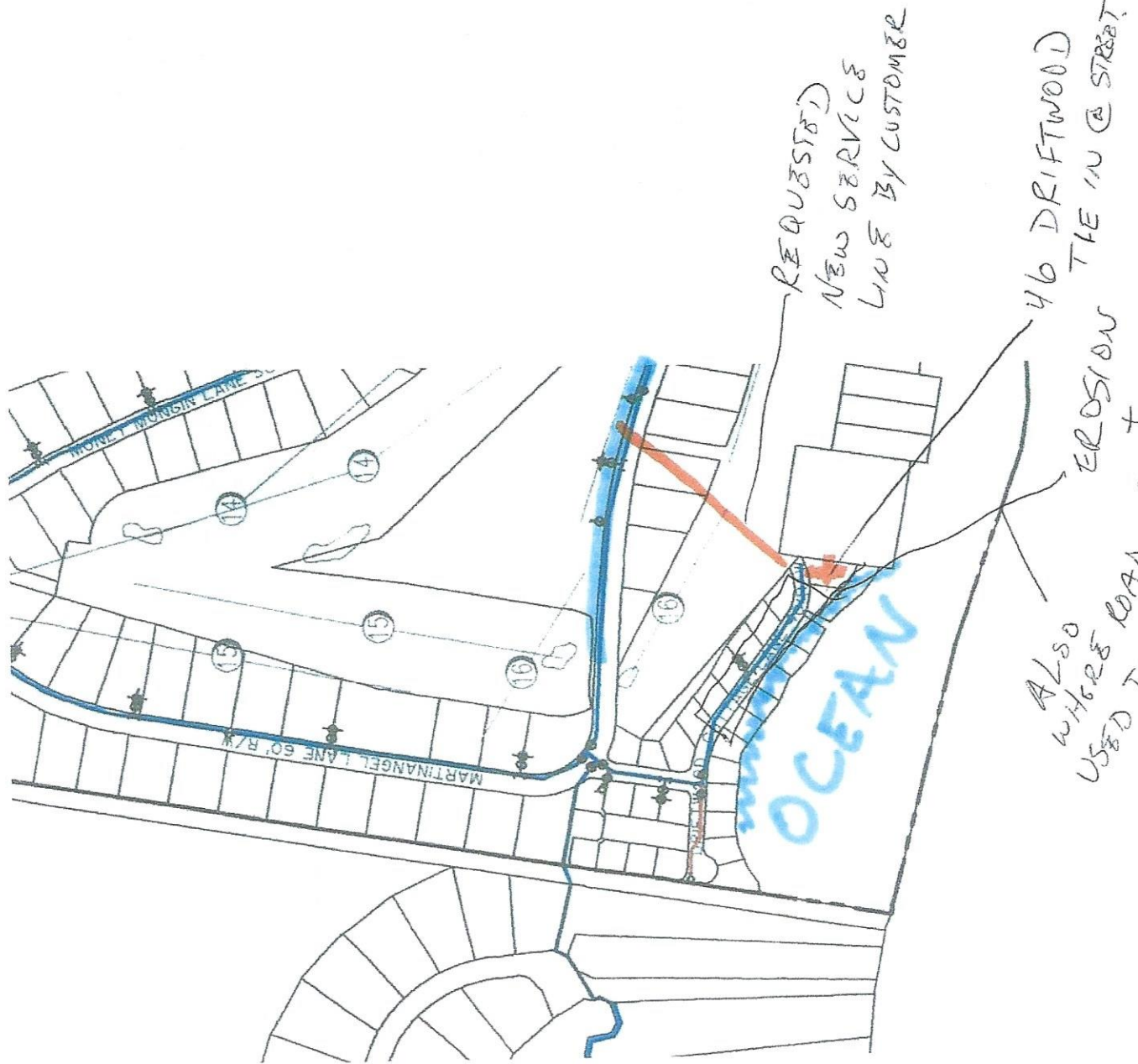
Good Morning, Mike!

Willie and I briefly discussed the erosion issue you described yesterday. Would it be possible to get either a drawing or photos showing the connection point between the utility service line and the customer service line for the premise we discussed? That would help us as we review the regulations.

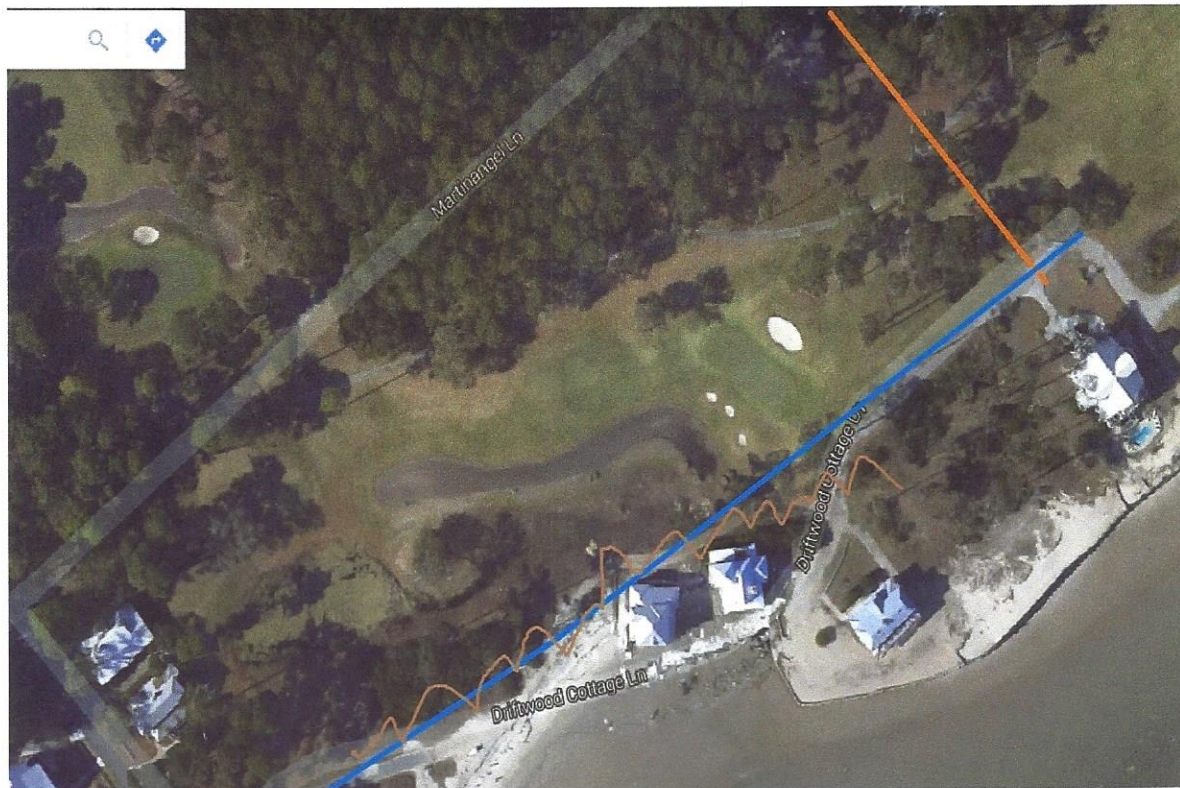
Thanks!



Dawn Hipp  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201  
Office phone 803.737.0814  
Office fax 803.737.0801  
[www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov)













## Mike Guastella

---

**From:** Guastella Admin  
**Sent:** Thursday, December 10, 2015 1:10 PM  
**To:** Mike Guastella  
**Subject:** RE:  
**Attachments:** Halwig 12.10.15.pdf

---

**From:** Mike Guastella [mailto:[mjg@guastella.com](mailto:mjg@guastella.com)]  
**Sent:** Thursday, December 10, 2015 12:37 PM  
**To:** [admin@guastella.com](mailto:admin@guastella.com)  
**Subject:**

Would you put this on DIUC letterhead and insert my signature and send back as pdf

Thanks,

Mike

DAUFUSKIE ISLAND UTILITY COMPANY, INC.  
c/o GUASTELLA ASSOCIATES, LLC  
6 Beacon Street, Suite 200  
Boston, MA 02108  
617-423-7878

December 10, 2015

Mr. J. Rene Josey, Esq.  
Turner | Padgett  
319 South Irby St.  
P.O. Box 5476  
Florence SC 29502

Re: Michael and Nancy Halwig  
46 Driftwood Cottage Lane  
TPGL File No.: 13926.101

Dear Mr. Josey:

Daufuskie Island Utility Company (Company) will continue to preserve, maintain and provide service to all customers within its service area, including service to the Halwig property. The Driftwood service area has been and continues to be monitored daily regarding the erosion problem. In accordance with conversations with Mr. Crow and members of the Office of Regulatory Staff of South Carolina, we will continue to provide utility service as originally designed and in compliance with all regulatory requirements.

It is, however, the Halwig's responsibility for an alternative extension of mains and facilities to provide water and sewer service to their property, subject to our approval of the design and construction. The cost of any alternative would be the responsibility of the Halwigs, because it is not appropriate for the Company to incur such costs which would then be passed on to its other customers through the rate setting process. An alternative extension will be considered under the provisions of a 'Customer Main Extension Fee' contract, Reg. 103-502.3, "A fee paid by a customer under a contract entered into by and between the utility and its customer providing terms for the extension of the utility's mains to service the customer".

We would, of course, work with the Halwigs' contractor to accomplish an alternative extension from another location of our existing distribution system.

GUASTELLA ASSOCIATES, LLC  
Manager of DIUC



Mike J. Guastella  
Vice President-Operations

DIUC 0019



**Mike Guastella**

---

**From:** Mike Guastella  
**Sent:** Tuesday, November 15, 2016 3:10 PM  
**To:** 'Campbell, Chad'  
**Subject:** FW: Complaint received at ORS (John Halwig)  
**Attachments:** IMG\_5170.JPG; IMG\_5179.JPG; IMG\_5190.JPG; IMG\_5200.JPG

Chad,

Per our phone conversation today. Here are more pictures of the Driftwood area and Mr. Halwig's residence.

**Img\_5170:** Mr. Halwig's residence in the background/water main & force main in foreground.

**Img\_5179:** Halwig residence

**Img\_5190:** Halwig (46 driftwood) front/ 36 driftwood background

**Img\_5200:** Halwig Front yard

Regards,

Mike Guastella

*Vice President-Operations*  
*Guastella Associates, LLC*  
*725 N Hwy A1A, Suite B103*  
*Jupiter, FL 33477*  
 Office: 617-423-3030  
 Cell: 775-267-7035  
 Fax:617-423-2929

**From:** Mike Guastella [mailto:mjg@guastella.com]  
**Sent:** Monday, November 14, 2016 3:10 PM  
**To:** 'Campbell, Chad' <ccampbe@regstaff.sc.gov>  
**Cc:** 'Hipp, Dawn' <dhipp@regstaff.sc.gov>; 'Johnson, Sarah' <sjohnson@regstaff.sc.gov>; 'Sharpe, April' <asharpe@regstaff.sc.gov>; 'Morgan, Willie' <wmorgan@regstaff.sc.gov>; Guastella Admin <admin@guastella.com>; John Guastella <jfg@guastella.com>  
**Subject:** RE: Complaint received at ORS (John Halwig)

Chad,

Due to the hurricane, the main break was caused by a wash out of the road and surrounding immediate area under which the main was located. Unless the road and surrounding area is restored and adequately protected from any future erosion, it would not be possible to reinstall the main at that location. Clearly, the utility is not responsible for road and land recovery under the circumstances. We have been looking into other means of access to the Halwig property, but do not yet know the options in term of ownership of other property or availability of rights of way, and of equal significance who would pay for the cost. It seems that it is Mr. Halwig's responsibility to provide reasonable access, which may require a restoration effort by appropriate municipal authorities. In the meantime, we are also trying to find answers to these questions. Attached for your information are notices of restrictions regarding occupying the properties posted on Mr. Halwig's and his neighbor's properties. This is a more complex problem than simply repairing or replacing a small section of main. We have had communications with Mr. Halwig explaining the circumstances and an

inability to provide an estimate of restoration. It is still impossible to provide specific dates when the road and ground restoration that may be necessary, and which would not be the utility's responsibility, must be completed before we can reinstall a main – or find other means of access to **Mr. Halwig's property**.

Regards,

Mike Guastella

**Vice President-Operations**  
**Guastella Associates, LLC**  
**725 N Hwy A1A, Suite B103**  
**Jupiter, FL 33477**  
**Office: 617-423-3030**  
**Cell: 775-267-7035**  
**Fax: 617-423-2929**

---

**From:** Campbell, Chad [<mailto:ccampbe@regstaff.sc.gov>]  
**Sent:** Tuesday, November 08, 2016 4:23 PM  
**To:** Guastella Admin <[admin@guastella.com](mailto:admin@guastella.com)>  
**Cc:** Hipp, Dawn <[dhipp@regstaff.sc.gov](mailto:dhipp@regstaff.sc.gov)>; Johnson, Sarah <[sjohnson@regstaff.sc.gov](mailto:sjohnson@regstaff.sc.gov)>; Sharpe, April <[asharpe@regstaff.sc.gov](mailto:asharpe@regstaff.sc.gov)>; Morgan, Willie <[wmorgan@regstaff.sc.gov](mailto:wmorgan@regstaff.sc.gov)>; [mjg@guastella.com](mailto:mjg@guastella.com)  
**Subject:** Complaint received at ORS (John Halwig)

Carolyn,

The attached correspondence is sent pursuant to the duties and responsibilities of the Office of Regulatory Staff ("ORS") to investigate complaints and inquiries affecting the public interest as set forth in S.C. Code Ann. § 58-4-50 (2004 S.C. Act 175). The ORS has received a complaint from John Halwig at 46 Driftwood Cottage Lane, Daufuskie Island, S.C.

The ORS requests Daufuskie Island Utility Company's ("DIUC" or "Company") assistance to investigate and respond to the consumer's concerns regarding interruption of water and sewer services to his property. Mr. Halwig is requesting specific information regarding the restoral time of water and sewer services.

I understand from your e-mail to me on Monday, November 7, 2016 that there are two DIUC customers with no water or sewer service at this time. (Mr. Halwig at 46 Driftwood Cottage Lane and Mr. Noller at 36 Driftwood Cottage Lane). According to DIUC, the water and sewer lines broke due to Hurricane Matthew. According to your e-mail, the Company indicates they are working on a plan on how to run the lines due to the excessive erosion.

To investigate the consumer's complaint, ORS requests DIUC provide the following:

1. Specific details on the work that is required to restore water and sewer service to 46 Driftwood Cottage Lane and 36 Driftwood Cottage Lane.
2. Estimated date for restoral of water and sewer service.

Be advised, the ORS is reviewing the requirements in the following PSC Regulations regarding their applicability to the water and sewer interruptions at 46 Driftwood Cottage Lane and 36 Driftwood Cottage Lane.

103-714 Interruption of Service.

B. Each utility shall make all reasonable efforts to prevent interruptions of service and, when such interruptions occur, shall endeavor to re-establish service with the shortest possible delay consistent with the safety of its consumers and the general public. Scheduled interruptions shall always be preceded by adequate notice to all affected customers, and will be made at a time that will not cause unreasonable inconvenience to customers.

103-771 Interruptions of Service.

A. Each utility shall make reasonable efforts to avoid interruptions of service, but when interruptions occur, service shall be re-established within the shortest time practicable, consistent with considerations of safety.

Please provide response on or before **Monday, November 14, 2016.**

Should you have any questions, contact me via e-mail at [ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov) or at 803-737-5194.

Thank You  
Chad Campbell  
Consumer Services  
Office of Regulatory Staff

---

**From:** Guastella Admin [<mailto:admin@guastella.com>]  
**Sent:** Monday, November 07, 2016 10:27 AM  
**To:** Campbell, Chad <[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)>  
**Subject:** RE: J. Michael Halwig commented on your site!

Mr. Halwig at 46 Driftwood and Mr. Noller at 36 Driftwood  
No water and no sewer

The water and sewer line broke due to the storm and we need a machine for access and we are also working on other avenues on how to run the line due to the excessive erosion -if we put it back the way it is now we will continue to have issues due to erosion

Sincerely,  
Carolyn Carleton  
Daufuskie Island Utility Company, Inc  
PO BOX 360  
Northborough, MA 01532  
617-423-3030

**\*\*PLEASE NOTE OUR NEW MAILING ADDRESS**

**\*\*You can now pay online at [www.DaufuskieIslandUtility.com](http://www.DaufuskieIslandUtility.com)**

---

**From:** Campbell, Chad [<mailto:ccampbe@regstaff.sc.gov>]  
**Sent:** Monday, November 07, 2016 10:06 AM



**To:** Guastella Admin <[admin@guastella.com](mailto:admin@guastella.com)>  
**Subject:** RE: J. Michael Halwig commented on your site!

Carolyn,

Can you advise what areas on the island served by DIUC are without water service. Also, how many customers are affected?

Thanks  
 Chad

---

**From:** Guastella Admin [<mailto:admin@guastella.com>]  
**Sent:** Monday, November 07, 2016 10:00 AM  
**To:** Campbell, Chad <[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)>  
**Subject:** FW: J. Michael Halwig commented on your site!

Good morning!

We have a customer who has some erosion on his property – since the hurricane the pool is literally in the ocean. We are trying to work with outside contracting to get a machine in there to work on the water but we don't have a scheduled date with the contractor because he is working on so many other issues on the island and there are not many who have machines on the island who can do this. Mr. Halwig may call you about this so I thought I would give you the heads up.

Sincerely,  
 Carolyn Carleton  
 Daufuskie Island Utility Company, Inc  
 PO BOX 360  
 Northborough, MA 01532  
 617-423-3030

**\*\*PLEASE NOTE OUR NEW MAILING ADDRESS**

**\*\*You can now pay online at [www.DaufuskiIslandUtility.com](http://www.DaufuskiIslandUtility.com)**

---

**From:** Guastella Admin [<mailto:admin@guastella.com>]  
**Sent:** Monday, November 07, 2016 9:15 AM  
**To:** 'jmalwigmd@aol.com' <[jmalwigmd@aol.com](mailto:jmalwigmd@aol.com)>  
**Subject:** RE: J. Michael Halwig commented on your site!

Dear Mr. Halwig,  
 I have forwarded your message s to management and received a response.

"We understand your concerns for water and sewer service. We are still working with outside contractors to restore service. Currently there is not a specific date services will be restored. The serviceability of the area is still being evaluated. We will notify any effected customer as soon as information is available."

Thanks,

Mike Guastella

Sincerely,  
Carolyn Carleton  
Daufuskie Island Utility Company, Inc  
PO BOX 360  
Northborough, MA 01532  
617-423-3030

**\*\*PLEASE NOTE OUR NEW MAILING ADDRESS**

**\*\*You can now pay online at [www.DaufuskieIslandUtility.com](http://www.DaufuskieIslandUtility.com)**

**From:** [jmhalwigmd@aol.com](mailto:jmhalwigmd@aol.com) [mailto:[jmhalwigmd@aol.com](mailto:jmhalwigmd@aol.com)]

**Sent:** Wednesday, November 02, 2016 7:30 PM

**To:** [admin@guastella.com](mailto:admin@guastella.com)

**Subject:** Re: J. Michael Halwig commented on your site!

I have requested specific information regarding the status of the Driftwood Cottage Lane water/sewer lines and when service will be restored on 10/20/16 and again on 11/1/16. I have been advised that an outside contractor was retained to fix the water main but have gotten no further information regarding when service will be restored.

The Bill of Rights for Residential Customers of Water Utilities as provided by the South Carolina Office of Regulatory Staff states:

12. You have the right to request information and assistance from the utility in order to secure safe and efficient service.

I am requesting a date by when service will be restored to the residents of Driftwood Cottage Lane. If I do not receive an answer within 48 hrs I will then be forced to file a complaint with the South Carolina Office of Regulatory Staff.

J. Michael Halwig MD

-----Original Message-----

From: [jmhalwigmd <jmhalwigmd@aol.com>](mailto:jmhalwigmd@aol.com)

To: [admin <admin@guastella.com>](mailto:admin@guastella.com)

Sent: Tue, Nov 1, 2016 2:15 pm

Subject: Re: J. Michael Halwig commented on your site!

That does not answer my question-has water and sewer service been reconnected to 46 Driftwood Cottage Lane and if not what is the estimated date of service resumption?

-----Original Message-----

From: Guastella Admin <[admin@guastella.com](mailto:admin@guastella.com)>

To: JMHalwigMD <[JMHalwigMD@aol.com](mailto:JMHalwigMD@aol.com)>

Sent: Tue, Nov 1, 2016 2:03 pm

Subject: RE: J. Michael Halwig commented on your site!

We are currently working with emergency services in clean up efforts. While also performing a system evaluation. So we can ensure safe and reliable water and sewer service gets restored as soon as possible.

Sincerely,  
Carolyn Carleton  
Daufuskie Island Utility Company, Inc  
PO BOX 360  
Northborough, MA 01532  
617-423-3030

**\*\*PLEASE NOTE OUR NEW MAILING ADDRESS**

**\*\*You can now pay online at [www.DaufuskiIslandUtility.com](http://www.DaufuskiIslandUtility.com)**

---

**From:** J. Michael Halwig [mailto:[support@strikingly.com](mailto:support@strikingly.com)]

**Sent:** Tuesday, November 01, 2016 10:42 AM

**To:** [admin@guastella.com](mailto:admin@guastella.com)

**Subject:** J. Michael Halwig commented on your site!

J. Michael Halwig commented on your site  
(<http://www.daufuskieislandutility.com/>):

I was checking on the status of repairs of the water/sewer system for Driftwood Cottage Lane

Name: J. Michael Halwig

Email: [JMHalwigMD@aol.com](mailto:JMHalwigMD@aol.com)

*Reply to this email directly to respond to J. Michael Halwig ([JMHalwigMD@aol.com](mailto:JMHalwigMD@aol.com)).*

**[VIEW ALL RESPONSES](#)**

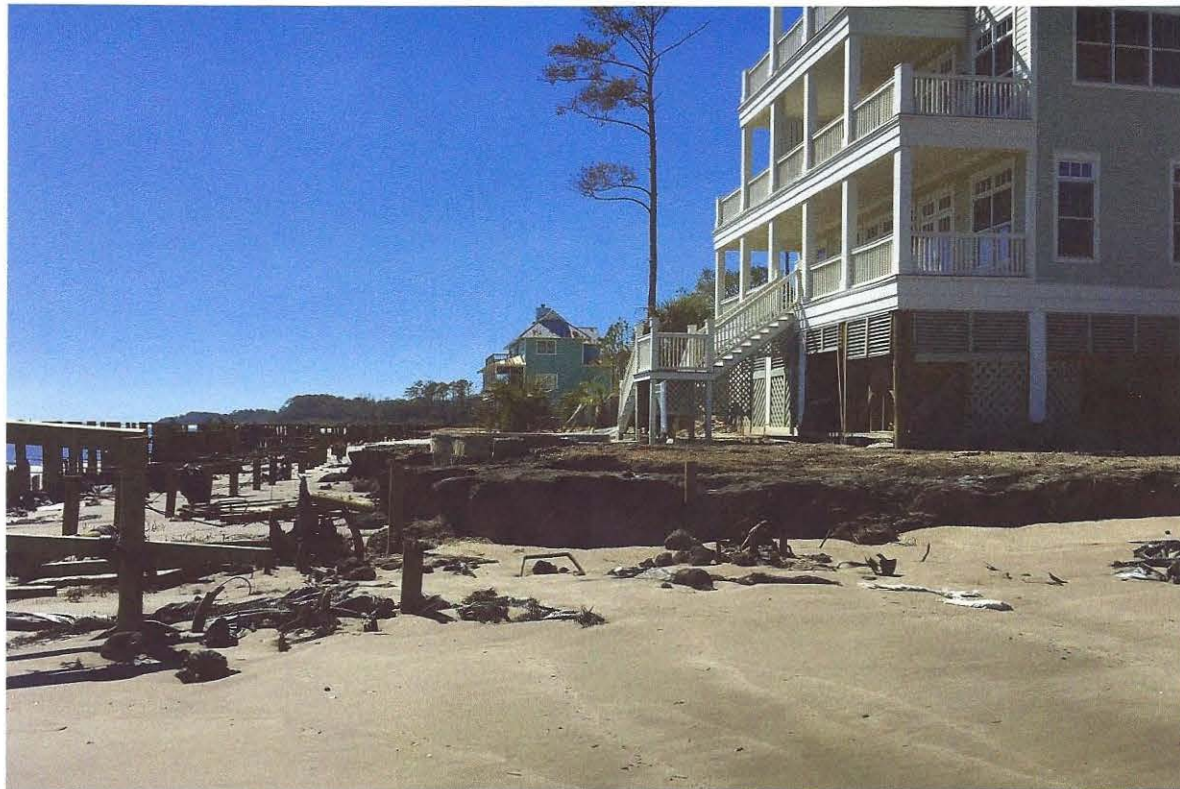
---

[support@strikingly.com](mailto:support@strikingly.com)

▪















## Mike Guastella

---

**From:** Campbell, Chad  
**Sent:** Thursday, November 17, 2016 9:23 AM  
**To:** Mike Guastella  
**Cc:** Morgan, Willie  
**Subject:** RE: call this morning

Willie has a meeting at 10:00.

We have just a couple brief items to mention with regard to the complaint.

Thanks

---

**From:** Mike Guastella [mailto:mjg@guastella.com]  
**Sent:** Thursday, November 17, 2016 9:22 AM  
**To:** Campbell, Chad <ccampbe@regstaff.sc.gov>  
**Cc:** Morgan, Willie <wmorgan@regstaff.sc.gov>  
**Subject:** Re: call this morning

Will 10 work?

Thanks,

Mike Guastella

Sent from my iPhone

On Nov 17, 2016, at 9:00 AM, Campbell, Chad <[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)> wrote:

Mike – are you available at 9:30 to speak to Willie and I on the Halwig complaint?

Thanks  
Chad

**Mike Guastella**

---

**From:** Mike Guastella  
**Sent:** Monday, November 28, 2016 2:06 PM  
**To:** 'Campbell, Chad'  
**Subject:** RE: DIUC - Driftwood

Appreciate it.

Thanks,

Mike

---

**From:** Campbell, Chad [<mailto:ccampbe@regstaff.sc.gov>]  
**Sent:** Monday, November 28, 2016 1:38 PM  
**To:** Mike Guastella <[mjg@guastella.com](mailto:mjg@guastella.com)>  
**Subject:** RE: DIUC - Driftwood

Mike,

We are meeting internally tomorrow to discuss. I will keep you updated.

Thanks  
 Chad

---

**From:** Mike Guastella [<mailto:mjg@guastella.com>]  
**Sent:** Monday, November 28, 2016 11:58 AM  
**To:** Campbell, Chad <[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)>  
**Subject:** DIUC - Driftwood

Chad,

I was checking if there is an update available regarding the Driftwood service area (Mr. Halwig)?

Hope you enjoyed the Holiday.

Regards,

Mike Guastella

*Vice President-Operations*  
**Guastella Associates, LLC**  
**725 N Hwy A1A, Suite B103**  
**Jupiter, FL 33477**  
**Office: 617-423-3030**  
**Cell: 775-267-7035**  
**Fax: 617-423-2929**



## Mike Guastella

---

**From:** Mike Guastella  
**Sent:** Tuesday, November 29, 2016 5:13 PM  
**To:** 'Campbell, Chad'  
**Subject:** RE: Halwig Complaint

How about Thursday between 1-2?

Thanks,

Mike

---

**From:** Campbell, Chad [mailto:ccampbe@regstaff.sc.gov]  
**Sent:** Tuesday, November 29, 2016 2:27 PM  
**To:** 'mjg@guastella.com' <mjg@guastella.com>  
**Subject:** Halwig Complaint

Mike,

Do you have time to speak with us on Thursday or Friday on the Halwig complaint. If so, let me know a time.

Thanks  
Chad

**Mike Guastella**

---

**From:** Mike Guastella  
**Sent:** Wednesday, November 30, 2016 12:34 PM  
**To:** 'Campbell, Chad'  
**Subject:** RE: Halwig Complaint

Got it.

Thanks,

Mike

---

**From:** Campbell, Chad [mailto:[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)]  
**Sent:** Wednesday, November 30, 2016 8:48 AM  
**To:** Mike Guastella <[mjg@guastella.com](mailto:mjg@guastella.com)>  
**Subject:** RE: Halwig Complaint

We have the call scheduled for 1:30.

I don't think Willie will be available

Looks like Dawn and I

Thanks  
 Chad

---

**From:** Mike Guastella [mailto:[mjg@guastella.com](mailto:mjg@guastella.com)]  
**Sent:** Tuesday, November 29, 2016 5:13 PM  
**To:** Campbell, Chad <[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)>  
**Subject:** RE: Halwig Complaint

How about Thursday between 1-2?

Thanks,

Mike

---

**From:** Campbell, Chad [mailto:[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)]  
**Sent:** Tuesday, November 29, 2016 2:27 PM  
**To:** '[mjg@guastella.com](mailto:mjg@guastella.com)' <[mjg@guastella.com](mailto:mjg@guastella.com)>  
**Subject:** Halwig Complaint

Mike,

Do you have time to speak with us on Thursday or Friday on the Halwig complaint. If so, let me know a time.

Thanks  
Chad



**Mike Guastella**

---

**From:** Campbell, Chad  
**Sent:** Thursday, December 01, 2016 2:31 PM  
**To:** 'mjb@guastella.com'  
**Subject:** FW: Follow-Up to call regarding Halwig complaint

Mike,

Not sure if that link works

The Owner information from Beaufort County is:

F.I.G. Daufuskie 1 LLC  
 440 West 200 St  
 Suite 410  
 Salt Lake City, UT 84101

You can enter 105 Buckthorn Ln on the link below and see further information.

Thanks  
 Chad

**From:** Campbell, Chad  
**Sent:** Thursday, December 01, 2016 2:28 PM  
**To:** 'mjb@guastella.com' <mjb@guastella.com>  
**Subject:** Follow-Up to call regarding Halwig complaint

Mike,

Per our call earlier today, below is a link pertaining information on the ownership of Melrose Golf Club:

<http://sc-beaufort-county.governmax.com/svc/default.asp?sid=09D56CA7C2FA466A8C4E04D3E3D13BEA>

Summary of call:

- Discussed possibility for Halwig complaint case being filed with Public Service Commission. ORS response letter will include information on how to petition the PSC for hearing
- Discussed DIUC's effort to examine possibility of temporary service.
- Discussed PSC Regulations 103-540 and 103-740:

**103-540 and 103-740 System Which Utility Must Maintain.**

*"Each utility, unless specifically relieved in any case by the commission from such obligation, shall operate and maintain in safe, efficient and proper conditions of all of its facilities and equipment used in connection with the services it provides to any customer up to and including the point of delivery from systems or facilities owned by the customer."*

- Discussed DIUC contacting in writing the Melrose HOA regarding their plans for repairing the road under which the mains were located.
- Discussed DIUC contacting in writing the owners of the Melrose Golf Club regarding alternate route to serve water and sewer to the Halwig property.

If you have any questions, please let me know.

Sincerely,

**Chad Campbell**

**Office of Regulatory Staff**

1401 Main Street | Suite 900 | Columbia, S.C. 29201

Phone | 803.737.5194 Fax | 803.737.4750

1.800.922.1594 ext.75194

[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)

[www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov)



## Mike Guastella

---

**From:** Campbell, Chad  
**Sent:** Monday, December 05, 2016 9:29 AM  
**To:** 'mjg@guastella.com'  
**Subject:** FW: ORS Response Letter to Daufuskie Island Utility customer John Halwig  
**Attachments:** Scanned from a Xerox Multifunction Device.pdf; Halwig Complaint.pdf

Mike,

Attached is the ORS response letter to DIUC customer John Halwig.

Thanks  
Chad



C. DUKES SCOTT  
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900  
Columbia, SC 29201



NANETTE S. EDWARDS  
DEPUTY EXECUTIVE DIRECTOR

Toll Free: 1-800-922-1531  
www.regulatorystaff.sc.gov

April B. Sharpe  
Manager of Consumer Services

December 2, 2016

Dr. John Halwig  
305 10<sup>th</sup> Street NE  
Atlanta, Georgia 30309

RE: ORS File 2016-W-1682

Dear Dr. Halwig:

This letter is in response to your complaint filed at the Office of Regulatory Staff ("ORS") regarding Daufuskie Island Utility Company ("DIUC" or "Company"). In your complaint you state your property at 46 Driftwood Cottage Lane, Daufuskie Island, S.C. has been without water and sewer service since October 8, 2016 due to Hurricane Matthew. You are requesting DIUC provide a specific date that water and sewer service will be restored to the property.

The ORS contacted DIUC for assistance to investigate and respond to your complaint. According to DIUC, due to Hurricane Matthew, severe erosion occurred causing a wash out of the road and surrounding areas where the water and sewer mains were located. The water and sewer mains were destroyed and rendered unusable. DIUC states that the road and surrounding area will need to be restored and adequately protected from future erosion before the water and sewer mains can be reconstructed to provide service to this area.

DIUC states they are currently exploring other means of access to serve your property but have not obtained rights of way necessary to construct water and sewer infrastructure to serve your property. The Company states a specific date for restoration of water and sewer service to your property cannot be provided at this time.

ORS conducted a conference call with a representative from DIUC on December 1, 2016 and advised the Company of the following Public Service Commission ("PSC") Rules and Regulations:

PSC Wastewater and Water Regulations 103-540 and 103-740 state *"Each utility, unless specifically relieved in any case by the commission from such obligation, shall operate*

DIUC 0038

*and maintain in safe, efficient and proper conditions off all off its facilities and equipment used in connection with the services it provides to any customer up to and including the point off delivery from systems or facilities owned by the customer."*

*PSC Wastewater Regulation 103-555 (e), states "The utility shall be responsible for providing the location for the connection off the customer's service pipe to the utility's service pipe or the utility's main, whichever is applicable, at the utility's expense, and at no expense to the customer."*

*PSC Wastewater Regulation 103-570 (B) states "It shall be the obligation off each utility dependent upon its ability to procure and retain suitable facilities and rights for the construction and maintenance off the necessary system to furnish adequate sewerage service to customers in the area or territory in which it operates."*

*PSC Water Regulation 103-755, "When the utility renders temporary service to a customer, it may require that the customer bear all the cost off installing and removing the service in excess off any salvage realized."*

Based on ORS's review, the Public Service Commission of South Carolina's rules and regulations do not identify a specific time period for water and sewer service restoration. ORS will maintain contact with DIUC in regard to their efforts to restore water and sewer service to your property.

If you are not satisfied with the response from the ORS's investigation, you have the right to file your complaint with the PSC. To file a complaint with the PSC, you must complete the PSC's complaint form available online at [www.psc.sc.gov](http://www.psc.sc.gov). The completed form must then be mailed to the PSC at 101 Executive Center Drive, Suite 100, Columbia, S.C. 29210

If you have any questions, please contact me at 1-800-922-1531, extension 75194, or via e-mail at [ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov).

Sincerely,



Chad Campbell  
Consumer Services  
Office of Regulatory Staff

cc: Mike Guastella, Guastella and Associates (VIA E-MAIL)  
Dawn Hipp, ORS Director, Utility Rates and Services  
Sarah Johnson, ORS, Director, Utility Services  
Willie Morgan, ORS, Director, Utility Rates  
April Sharpe, ORS, Manager, Consumer Services





## South Carolina Office of Regulatory Staff

1401 Main St. Suite 900 Columbia, SC 29201 Phone: 800-922-1531 Fax: 803-737-4750

# Consumer Complaint/Inquiry Form

Please complete this form, save it to your computer and then send it to [complaints@regstaff.sc.gov](mailto:complaints@regstaff.sc.gov). A member of the SC Office of Regulatory Staff will be in contact with you to address your complaint or inquiry.

**If your utility service is scheduled for disconnection, please call the ORS at 1-800-922-1531.**

Please fill out all fields marked with an asterisk\*, as they are required.

Failure to complete required fields may cause a delay in responding to you.

Name\*  Date\*

Address\*

City\*  ZIP Code\*

Phone Number\*  Email

What utility/company is your complaint regarding?\*

What is your account number?

Are you an authorized contact person for the account?\* ☒ Yes ☐ No

Please outline your complaint below. Be brief as the field is limited to 1000 characters. Further detail, if needed, can be gathered when a member of the ORS staff contacts you. \*

I have requested specific information regarding the status of the Driftwood Cottage Lane water/sewer service and when service will be restored on 10/20/16 and again on 11/1/16. I have been advised that an outside contractor was retained to fix the sewer service but that there is not a specific date service will be restored. We have been without water/sewer service since Hurricane Matthew on 10/8/16 and have not been able to stay in the home.

To save or print the form, click on the Save/Print Form button below.

To save the form, choose Adobe PDF as your printer, then click print. This will bring up a menu asking where you want to save the document to your computer. Once you have saved the form, you can submit it through email or print it and fax or mail it to the ORS using the information listed at the top of this page.

DIUC 0040



**Mike Guastella**

---

**From:** Campbell, Chad  
**Sent:** Thursday, December 22, 2016 7:52 AM  
**To:** Mike Guastella  
**Subject:** RE: DIUC - Halwig update

Thanks Mike

**From:** Mike Guastella [mailto:mjg@guastella.com]  
**Sent:** Wednesday, December 21, 2016 4:17 PM  
**To:** Campbell, Chad <ccampbe@regstaff.sc.gov>  
**Subject:** DIUC - Halwig update

Chad,

We will be communicating all correspondence as of 12.20.16 through Mr. Halwigs attorney, J. Rene Josey. Neither Mr. Halwig or his attorney has addressed the ORS response to their complaint, in any correspondence with the DIUC. We have been in contact, to discuss various aspects of this project with the following: DHEC(Penny Cornett and Paul Wejoski(OCRM)), Ken Crow of Century Golf the managers of Melrose golf course, JT Bramlette of Pelorus, Chief Ed Boys DIFD, Bob Hart Beaufort County Assessor, Julie Dilullo Melrose POA President, Chuck Atkinson Beaufort County codes/permits, Mike Pane SCG&E. We are preparing a formal response that will include but not be limited to, maintaining our position (according to Reg. 103-502.3) that was spelled out to the Halwigs and their attorney in our letter (dated December 10, 2015) that we provided to you in our correspondence concerning their initial complaint. This specific area falls within the jurisdiction of OCRM and due to its environmental sensitivity requires a detailed and lengthy approval process to perform any work in this area beyond basic maintenance. I will provide you with any of our formal responses, when complete. At this time water/sewer service is only part of the stipulations preventing occupancy as posted by the BC assessor.

Thanks,

Mike



## South Carolina Office of Regulatory Staff

1401 Main St. Suite 900 Columbia, SC 29201 Phone: 800-922-1531 Fax: 803-737-4750

# Consumer Complaint/Inquiry Form

Please complete this form, save it to your computer and then send it to [complaints@regstaff.sc.gov](mailto:complaints@regstaff.sc.gov). A member of the SC Office of Regulatory Staff will be in contact with you to address your complaint or inquiry. A member of

**If your utility service is scheduled for disconnection, please call the ORS at 1-800-922-1531.**

Please fill out all fields marked with an asterisk\*, as they are required.

Failure to complete required fields may cause a delay in responding to you.

Name\*  Date\*

Address\*

City\*  ZIP Code\*

Phone Number\*  Email

What utility/company is your complaint regarding?\*

What is your account number?

Are you an authorized contact person for the account?\* ☒ Yes ☐ No

Please outline your complaint below. Be brief as the field is limited to 1000 characters. Further detail, if needed, can be gathered when a member of the ORS staff contacts you.\*

I have requested specific information regarding the status of the Driftwood Cottage Lane water/sewer service and when service will be restored on 10/20/16 and again on 11/1/16. I have been advised that an outside contractor was retained to fix the sewer service but that there is not a specific date service will be restored. We have been without water/sewer service since Hurricane Matthew on 10/8/16 and have not been able to stay in the home.

To save or print the form, click on the Save/Print Form button below.

To save the form, choose Adobe PDF as your printer, then click print. This will bring up a menu asking where you want to save the document to your computer. Once you have saved the form, you can submit it through email or print it and fax or mail it to the ORS using the information listed at the top of this page.

[Save/Print Form](#)

DIUC 0042

HALWIG EMAIL 00000179

C. DUKES SCOTT  
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900  
Columbia, SC 29201



NANETTE S. EDWARDS  
DEPUTY EXECUTIVE DIRECTOR

Toll Free: 1-800-922-1531  
www.regulatorystaff.sc.gov

**April B. Sharpe**  
**Manager of Consumer Services**

December 2, 2016

Dr. John Halwig  
305 10th Street NE  
Atlanta, Georgia 30309

**RE: ORS File 2016-W-1682**

Dear Dr. Halwig:

This letter is in response to your complaint filed at the Office of Regulatory Staff ("ORS") regarding Daufuskie Island Utility Company ("DIUC" or "Company"). In your complaint you state your property at 46 Driftwood Cottage Lane, Daufuskie Island, S.C. has been without water and sewer service since October 8, 2016 due to Hurricane Matthew. You are requesting DIUC provide a specific date that water and sewer service will be restored to the property.

The ORS contacted DIUC for assistance to investigate and respond to your complaint. According to DIUC, due to Hurricane Matthew, severe erosion occurred causing a wash out of the road and surrounding areas where the water and sewer mains were located. The water and sewer mains were destroyed and rendered unusable. DIUC states that the road and surrounding area will need to be restored and adequately protected from future erosion before the water and sewer mains can be reconstructed to provide service to this area.

DIUC states they are currently exploring other means of access to serve your property but have not obtained rights of way necessary to construct water and sewer infrastructure to serve your property. The Company states a specific date for restoration of water and sewer service to your property cannot be provided at this time.

ORS conducted a conference call with a representative from DIUC on December 1, 2016 and advised the Company of the following Public Service Commission ("PSC") Rules and Regulations:

*PSC Wastewater and Water Regulations 103-540 and 103-740 state "Each utility, unless specifically relieved in any case by the commission from such obligation, shall operate"*

DIUC 0043

JHALWIG\_EMAIL\_00000180



and maintain in safe, efficient and proper conditions of all of its facilities and equipment used in connection with the services it provides to any customer up to and including the point of delivery from systems or facilities owned by the customer."

PSC Wastewater Regulation 103-555 (e), states "The utility shall be responsible for providing the location for the connection of the customer's service pipe to the utility's service pipe or the utility's main, whichever is applicable, at the utility's expense, and at no expense to the customer."

PSC Wastewater Regulation 103-570 (B) states "It shall be the obligation of each utility dependent upon its ability to procure and retain suitable facilities and rights for the construction and maintenance of the necessary system to furnish adequate sewerage service to customers in the area or territory in which it operates."

PSC Water Regulation 103-755, "When the utility renders temporary service to a customer, it may require that the customer bear all the cost of installing and removing the service in excess of any salvage realized."

Based on ORS's review, the Public Service Commission of South Carolina's rules and regulations do not identify a specific time period for water and sewer service restoration. ORS will maintain contact with DIUC in regard to their efforts to restore water and sewer service to your property.

If you are not satisfied with the response from the ORS's investigation, you have the right to file your complaint with the PSC. To file a complaint with the PSC, you must complete the PSC's complaint form available online at [www.psc.sc.gov](http://www.psc.sc.gov). The completed form must then be mailed to the PSC at 101 Executive Center Drive, Suite 100, Columbia, S.C. 29210

If you have any questions, please contact me at 1-800-922-1531, extension 75194, or via e-mail at [ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov).

Sincerely,



Chad Campbell  
Consumer Services  
Office of Regulatory Staff

cc: Mike Guastella, Guastella and Associates (VIA E-MAIL)  
Dawn Hipp, ORS Director, Utility Rates and Services  
Sarah Johnson, ORS, Director, Utility Services  
Willie Morgan, ORS, Director, Utility Rates  
April Sharpe, ORS, Manager, Consumer Services

# Turner | Padget

REPLY TO:

J. René Josey

E-Mail: RJosey@TurnerPadget.com  
Writer's Direct Dial: (843) 656-4451  
Writer's Direct Fax: (843) 413-5818

December 20, 2016

**Via Facsimile (admin@guastella.com)**

Michael J. Guastella  
Vice President and Manager  
Daufuskie Island Utility Company  
803 Haig Point Road  
Daufuskie Island, SC 29915

Re: Utility Service to Homes on Driftwood Cottage Lane, Daufuskie Island  
TP File No.: 13826.101

Dear Mr. Guastella:

The above-referenced matter is urgent as property rental and usage is being prevented. As you may be aware, I represent Dr. and Mrs. Michael Halwig with regard to their property issues at their home at Driftwood Cottage Lane on Daufuskie Island.

As I am sure you are aware, utility service there has recently ended as a result of erosion. Nevertheless, I am sure you are also aware that efforts are being made to protect and save these homes. In that regard, I have been working with Ken Crow of Century Golf with regard to physical access for visitors to these homes. I have also discussed with him utility access through a more reliable route. In that regard, I understand that the golf course is prepared to work with your company to provide utility service to these homes as soon as possible.

In that regard, I must ask that you act with all deliberate speed to initiate the rerouting of water and sewer utilities to these homes; in particular, the Halwig and Noller homes which I understand remain under reliable electrical utility service. In order that we may avoid escalation of this matter to additional parties/regulators, I would ask that you respond with your commitment within 48 hours of receipt of this letter. I appreciate your attention to the matter.

Sincerely,

TURNER PADGET GRAHAM & LANEY P.A.

J. René Josey

JRJ:mjs

Cc: Mike Halwig (via email)  
Ken Crow (via email)

TURNER PADGET GRAHAM & LANEY P.A.  
Columbia | Charleston | Greenville | Florence | Myrtle Beach

www.turnerpadget.com P 843-662-9008 F 843-667-0828  
319 South Irby St. (29501) | P.O. Box 5478, Florence, SC 29502

DIUC 0045

HALWIG\_EMAIL\_00000223

DAUFUSKIE ISLAND UTILITY COMPANY, INC.

PO BOX 360

Northborough, MA 01532

617-423-7878

January 9, 2017

BY EMAIL

Mr. J. Rene Josey, Esq.  
Turner | Padgett  
319 South Irby St.  
P.O. Box 5476  
Florence SC 29502

Re: Utility service to homes on  
Driftwood Cottage Lane  
TPGL File No.: 13926.101

Dear Mr. Josey,

This area is a critical coastal zone and falls under strict regulatory guidelines for any and all construction. Neither DIUC nor anyone else has the authority to construct or install new facilities in this area without regulatory approval. DIUC provided you with a letter dated December 10, 2015 addressing the possibility of new facilities, to which we have not yet had a response.

DIUC maintains its position, in accordance with the referenced Regulation 103-502.3, stated in our December 10, 2015 letter, a copy of which is attached for your convenience.

GUASTELLA ASSOCIATES, LLC  
Manager of DIUC,



Mike J. Guastella  
Vice President- Operations

Cc: Mike Halwig

DIUC 0046

HALWIG\_EMAIL\_00000238



DAUFUSKIE ISLAND UTILITY COMPANY, INC.  
c/o GUASTELLA ASSOCIATES, LLC  
6 Beacon Street, Suite 200  
Boston, MA 02108  
617-423-7878

December 10, 2015

Mr. J. Rene Josey, Esq.  
Turner | Padgett  
319 South Irby St.  
P.O. Box 5476  
Florence SC 29502

Re: Michael and Nancy Halwig  
46 Driftwood Cottage Lane  
TPGL File No.: 13926.101

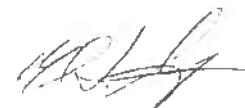
Dear Mr. Josey:

Daufuskie Island Utility Company (Company) will continue to preserve, maintain and provide service to all customers within its service area, including service to the Halwig property. The Driftwood service area has been and continues to be monitored daily regarding the erosion problem. In accordance with conversations with Mr. Crow and members of the Office of Regulatory Staff of South Carolina, we will continue to provide utility service as originally designed and in compliance with all regulatory requirements.

It is, however, the Halwig's responsibility for an alternative extension of mains and facilities to provide water and sewer service to their property, subject to our approval of the design and construction. The cost of any alternative would be the responsibility of the Halwigs, because it is not appropriate for the Company to incur such costs which would then be passed on to its other customers through the rate setting process. An alternative extension will be considered under the provisions of a 'Customer Main Extension Fee' contract, Reg. 103-502.3, "A fee paid by a customer under a contract entered into by and between the utility and its customer providing terms for the extension of the utility's mains to service the customer".

We would, of course, work with the Halwigs' contractor to accomplish an alternative extension from another location of our existing distribution system.

GUASTELLA ASSOCIATES, LLC  
Manager of DIUC



Mike J. Guastella  
Vice President-Operations

DIUC 0047

HALWIG\_EMAIL\_00000239

DAUFUSKIE ISLAND UTILITY COMPANY, INC.

PO BOX 360

Northborough, MA 01532

617-423-7878

January 27, 2017

BY EMAIL

Mr. J. Rene Josey, Esq.  
Turner | Padgett  
319 South Irby St.  
P.O. Box 5476  
Florence SC 29502

Re: Utility service to homes on  
Driftwood Cottage Lane  
TPGL File No.: 13926.101

Dear Mr. Josey,

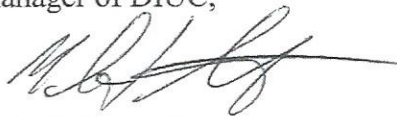
This letter is in response to the continued request for restoration of water and sewer services to 46 and 36 Driftwood Cottage Lane, after hurricane Matthew in October 2016 destroyed a section of the road which contained DIUC water and sewer facilities.

According to an email from Mrs. Julie Dilullo, President of the Melrose Property Owners Association, Driftwood Cottage Lane will not be restored. To date, this area of road has now been destroyed twice from extensive erosion through tidal and storm surges. DIUC no longer has a location in which to install water and sewer facilities to these customers.

We recommend that the customers of 36 and 46 Driftwood Cottage Lane seek regulatory approval to construct new customer service lines that extend to within DIUC's existing right of way along Martinangel Lane. We will then be willing to provide utility services through a new tie in at that location. The customers must provide DIUC with documentation from all relevant regulatory agencies allowing this installation and occupancy of their respective residences prior to the new service being initiated.

We suggest that the customers consider using the professional engineering services of Thomas & Hutton and the construction services of Terry Lee Construction, who have extensive knowledge and experience of utility construction on Daufuskie Island. DIUC has a continuing working relationship with both companies and Terry Lee is president of DIUC, so the customers are certainly free to make any other arrangements.

GUASTELLA ASSOCIATES, LLC  
Manager of DIUC,



Mike J. Guastella  
Vice President- Operations

DIUC 0048

Cc: Mike Halwig  
Mr. & Mrs. Noller  
JT Bramlette  
Chad Campbell  
Ken Crow

# Turner | Padget

REPLY TO:

**J. René Josey**

E-Mail: RJosey@TurnerPadget.com  
Writer's Direct Dial: (843) 656-4451  
Writer's Direct Fax: (843) 413-5818

January 11, 2017

Michael J. Guastella  
Vice President of Operations  
Guastella Associates, LLC  
725 North Highway A1A  
Suite B103  
Jupiter, FL 33477

Re: Water and Sewer Utility Service  
Driftwood Cottage Lane, Daufuskie Island, SC  
TP File: 13826.101

Dear Mr. Guastella:

I am in receipt of your e-mail from Monday (January 9<sup>th</sup>) as well as your correspondence of last month regarding the above-referenced matter.

The Halwigs are, of course, aware that there may be some costs associated with restoration of water and sewer service to their Daufuskie home, but the costs can be sorted out later; the emergent need is to actually restore the service so that the home can be used. Article 5 of Section 103 of the South Carolina regulations makes it clear that the utility -- that is granted exclusivity by the Public Service Commission -- has a primary duty to maintain and restore services for the area to which they have been granted such exclusive rights. These obligations are found in Regulation 103-540 (duty to maintain a safe operable and efficient system up to the customer's connections), Regulation 103-564 (duty to maintain system in good state of repair and replace broken, damaged or deteriorated parts which are no longer serviceable), and Section 103-571 (duty to make reasonable efforts to avoid interruption of service).

Of course, we understand that your restoration work must comply with applicable regulations but such work needs to proceed with all deliberate haste. Your utility was aware of the risks of beach erosion when it chose to do service and apply for its permits on this barrier island.

TPGL 7490422v1



**Turner | Padgett**

---

Michael J. Guastella

January 11, 2017

Page 2

In any event, my purpose in writing is not to argue about the cost responsibility for restoring service to the Halwigs' home but rather to get that restoration started. I know we both have been in touch with Ken Crowe and the golf course seems prepared to cooperate with an effort to restore utility service as soon as possible. A route has been identified and interior easements exist to get to that route.

I am reminded of the Abbot and Costello routine of Who's on First. Frankly, the Halwigs do not care who is on first, but they do care that someone starts the restoration process immediately. If I need to interact with a particular contractor or regulator, please let me know.

Sincerely,

TURNER PADGET GRAHAM & LANEY P.A.

J. René Josey

JRJ:mjs

cc: Ken Crowe  
Dr. Michael Halwig

**To:** Crow, Ken[kcrow@centurygolf.com]  
**Cc:** JT Bramlette[jt@pelorusmail.com]; brent@pelorusmail.com[brent@pelorusmail.com]; Josey, J. Rene[JJosey@TurnerPadget.com]  
**From:** Josey, J. Rene  
**Sent:** Fri 6/9/2017 4:48:53 PM  
**Subject:** RE: Utilities to Halwig Home

Ken,

Thanks for your call and email. I will follow-up with the Halwigs re: the survey around the tee box.

In order to avoid further delay, perhaps they can start work laying the utilities in the section north/inland of the tee box area?

As you know, time is of the essence to avoid golfing conflicts and to save the weathering of these homes.

Rene'

-----Original Message-----

From: Crow, Ken [mailto:kcrow@centurygolf.com]  
Sent: Friday, June 9, 2017 10:51 AM  
To: Josey, J. Rene  
Cc: JT Bramlette; brent@pelorusmail.com  
Subject: Utilities to Halwig Home

Rene,

After, reviewing the site plan that was sent to us. We feel it would be better to run the line north of the 17th tee rather than through the middle of 17 tee. I did speak with the engineer at Thomas & Hutton, in their Savannah office. He felt like this would be possible but would need to get on site to re-survey. We would like to have someone, from our group, with him when he does that work. Just to make sure that we're all in agreement.

Look forward to your response.

Ken

Sent from my iPhone

**To:** jmhalwigmd@aol.com[jmhalwigmd@aol.com]; ndhalwig@aol.com[ndhalwig@aol.com]; Josey, J. Rene[JJosey@TurnerPadget.com]; sororian.f@thomasandhutton.com[sororian.f@thomasandhutton.com]; scott@pinco.biz[scott@pinco.biz]; bev.noller@gmail.com[bev.noller@gmail.com]  
**From:** Stanton, Robin  
**Sent:** Fri 12/8/2017 11:07:38 PM  
**Subject:** RE: Your directive to cease and desist via Turner Paget

Dr. Halwig,

Thank you for the information provided. I have also had a long conversation with Rene this evening. The letter from the Debtor does not grant permission to access and lay down lines on the golf course– it only tentatively approves sketching and development for one route. It was not approved by the bankruptcy court, who has control of the debtor's business, and it is definitely outside of the debtors' ordinary course of business, which is the only things they could do in bankruptcy without court approval.

Running utility easements across a golf course designed for an entire community is a material project, requiring detailed plans, specifications, technical drawings, completion bonds, damage bonds, review of construction contract, proof of contractor insurance for the benefit of the owner and lender, confirmation of financial ability to pay for the project, lien waivers from the contractor, subcontractors, waiver of claims by the homeowners and contractor, indemnity agreement from the owner and contractors in regard to any loss or damage to the property and as to accidents occurring during the project, professional assessment of impact on the golf course, time table for start and completion, written and recorded easement agreement, determination of ownership of the lines after installation, maintenance and replacement agreement to determine who will be responsible for those costs after installation, and has to be undertaken with a view towards the best interest of the entire community. We have not been provided any of those items. I also don't know which of the 2 routes shown on the drawing is actually being undertaken – I am fairly sure Rene told me but I had not looked at the drawings when we were talking so I don't remember.

I understand your frustration. I also understand you have a long term commitment in Daufuskie, would like to coordinate with the new owners regarding a seawall that benefits both your house and the golf course, and that you have contributed the cost of constructing a cart path for the good of the community and are a community minded resident.

Please understand that my client also has a long term commitment to Daufuskie and has to look at this with a big picture. And we are just now hearing about this problem and proposed solution, which was apparently started without obtaining any easement or valid permission to come onto the golf course.

I have forwarded the information provided to my client. I would request you provide or have someone provide, the balance of the information listed above for their review. **In the meantime, I repeat that no permission has been granted to run water/sewer lines across the golf course and work should stop immediately. I would appreciate written confirmation that work has stopped and will not be re-started without written authorization from Odeon or their counsel.**

Sincerely,  
Robin



**Josey, J. Rene**

---

**From:** Stanton, Robin <RStanton@MCNAIR.NET>  
**Sent:** Friday, December 15, 2017 5:44 PM  
**To:** Josey, J. Rene  
**Subject:** Water and sewer lines

Rene,

Thank you for the time you spent discussing the status and history of this matter on the phone with me yesterday. Let me stress again that my client is very sympathetic to the frustrations of the homeowners in connection with their homes and dealing with the debtors. Odeon has suffered losses in the millions due to the debtors so they understand your frustration caused by the absentee ownership. Odeon is willing to do what they can to help the homeowners – but my client has only been aware of this for one week and this is a complicated matter. While I understand your client may have received some documentation from the debtors regarding the proposal, the debtors did not have authority to grant any access or easement over the golf course without court approval and in violation of a previously executed purchase and sale agreement. Additionally, the documents are not binding, recorded, easements nor do they specifically consent to access and construction.

However, Odeon would like to help resolve this matter and work with your clients in a methodical and organized manner. My client is willing to discuss the matter and look for ways to resolve it (one of which may be the proposed plan) and assist your client in getting water and sewer to the property. Please be aware also that my client contact, Mr. Arie Zoller, is the representative of Odeon here in the US but that the decision makers are overseas, and Mr. Zoller has to run all decisions through the overseas managers.

Finally, please understand that while the golf course may not be operating at the moment, Odeon has a fiduciary duty to safeguard the assets of the company for its investors and has to take all reasonable steps to make sure nothing is done to permanently damage the property. With that in mind, we appreciate the information provided to date regarding the plans and permits. After reviewing what has been provided, we have the following questions and open items:

1. We have the letter from DIUC dated January 27, 2017. Can you provide any assurance/documentation that DIUC has approved the plans and permits and consented to the tie in? If so please provide. I'm sure no one wants to go to the time and expense only to be told there is a problem with the DIUC tie-in.
2. We still need to know who will own the utility lines after completion, DIUC or the homeowner? Normally the utility company takes ownership of the lines and the related maintenance responsibilities after the tie-in. I don't know what the norm is on Daufuskie but assume your engineers can address this question. If the utility company will own them, who is preparing the transfer documents and when? Has DIUC agreed?
3. Before work could be restarted, the Contractor's certificate of insurance would need to be updated to name the owner of record and Odeon as additional insured. This is a small matter and easily fixed by the contractor, I only include it in this list so as not to lose sight of it later.
4. The Escrow Agreement does not provide the golf course owner any protection from mechanic's liens nor does it require written confirmation/inspection from the engineering firm regarding progress drawings. We suggest amending the escrow agreement to make Odeon a party to the document since the work is being completed on our property, require the contractor to deliver lien waivers at each stage prior to release of funds, require written confirmation from the engineer that the construction work is consistent with the approved drawings prior to release of funds, so that Odeon receives copies of all the lien waivers and construction approval documents. The final draw should not be released until all sites are returned to their original condition, as confirmed by the engineers and Odeon.
5. Proposed written agreement for our review, covering the following:

- a. granting access for construction and sewer/water lines with drawing showing exact location, which might be a license or an easement;
  - b. indemnifying golf course owner & lender for loss or damage during construction;
  - c. indemnifying golf course owner for damage to golf course irrigation system occurring during construction that may not be discovered until the system is restarted;
  - d. establishing ownership of pipes/lines, who is responsible for ongoing/future maintenance obligations, to be completed at a time and place reasonably and commercially acceptable to golf course owner, signed by the entity responsible for the maintenance;
6. Confirmation that the balance of the project is being completed either on property owned by the 2 homeowners, within existing water & sewer easements, or with any other involved property owner's written consent.
  7. Confirmation that all permits that are necessary have been obtained, including county permits if applicable.
  8. Will either of the houses require issuance of a new certificate of occupancy by the county before the utilities can be connected?
  9. Evidence of safeguarding and stabilization of property after the work stoppage to avoid damage and injury.
  10. Odeon will need to confirm that the proposed plans will not impair the golf course with its own golf course professional.
  11. Please provide the status of any other matters related to the house, including any other utility or access issues that you anticipate coming up in the future so we can address everything at one time. Are there any other utilities that need to be brought to the house? Access issues? Any other county/development services that are not available that will need to be addressed in the future. We would like to know the full scope of anything else that you anticipate so we can address everything at once.

Please understand that while you and your client may have been working on this for many months, my client is just now hearing about it. Our requests are commercially reasonable and standard requests and due diligence involved in seeking permission to install a permanent fixture on real estate belong to someone else – especially a golf course –and especially for utility lines that could need ongoing maintenance and repair in the future, disrupting the use of the property. Odeon is willing to work with you to determine the best course of action while protecting its interests. Most of the items above should be easily provided by either your engineer or counsel. Once Odeon can review everything and has made its own assessment of the impact on the golf course, it will be in a better position to respond to the request. However, we do ask that your clients understand that: (a) Odeon has a corporate management that has to be informed and makes the final decisions; and (b) while Odeon understands your urgency and will work as quickly as it can to resolve this matter, it may not be in a position to respond on your timetable.

We look forward to receiving the requested information and working with you on this matter.

Sincerely,  
Robin



**Robin C. Stanton**  
Shareholder  
rstanton@mcnair.net

**McNair Law Firm, P.A.**

**Columbia Office** 1221 Main Street | Suite 1800 | Columbia, SC 29201

803 799 9800 Main | 803 933 1516 Fax

**Mailing** Post Office Box 11390 | Columbia, SC 29211

**VCard** | **Bio URL** | **Website**



---

PRIVILEGE AND CONFIDENTIALITY NOTICE: This communication (including any attachments) is being sent by or on behalf of a lawyer or law firm and may contain confidential or legally privileged information. The sender does not intend to waive any privilege, including the attorney-client privilege, that may attach to this communication. If you are not the intended recipient, you are not authorized to intercept, read, print, retain, copy, forward or disseminate this communication. If you have received this communication in error, please notify the sender immediately by email and delete this communication and all copies.



**Mike Guastella**

---

**From:** Campbell, Chad  
**Sent:** Tuesday, March 21, 2017 2:02 PM  
**To:** Mike Guastella  
**Subject:** RE: DIUC - Driftwood Cottage Ln - Halwig

Thanks for the update Mike

**From:** Mike Guastella [mailto:mjg@guastella.com]  
**Sent:** Tuesday, March 21, 2017 10:38 AM  
**To:** Campbell, Chad <ccampbe@regstaff.sc.gov>  
**Subject:** DIUC - Driftwood Cottage Ln - Halwig

Chad,

A quick update on the Driftwood/Halwig situation. I heard from Thomas & Hutton again and it sounds as though they will be working with both residents (Halwig & Noller) to provide the engineering reports for new customer service lines. They will be inspecting the area possibly as soon as this week. Our Operators will be with the engineer to answer any questions and show them our facilities. I will update you again when I have new information.

Regards,

Mike Guastella

**Vice President-Operations**  
**Guastella Associates, LLC**  
**725 N Hwy A1A, Suite B103**  
**Jupiter, FL 33477**  
**Office: 617-423-3030**  
**Cell: 775-267-7035**  
**Fax: 617-423-2929**

**Mike Guastella**

---

**From:** Mike Guastella  
**Sent:** Wednesday, January 31, 2018 3:19 PM  
**To:** 'Sororian, Fred'  
**Cc:** 'Morgan, Willie'; 'Campbell, Chad'  
**Subject:** DIUC - Customer Service Agreement - Driftwood Cottage Ln (Melrose)  
**Attachments:** Customer Service Agreement - 1.31.18.pdf

Fred,

Attached is the Customer Service Agreement, for the Customers at 36 & 46 Driftwood Cottage Ln. I've Copied staff members at ORS, so they are updated on the service to that location. Contact me with any questions.

Regards,

Mike Guastella

*Vice President  
Guastella Associates, LLC*

*Manager of Daufuskie Island Utility Company, Inc.*

*888-635-7878  
Cell# 775-267-7035*

**Mike Guastella**

---

**From:** Campbell, Chad  
**Sent:** Friday, September 28, 2018 12:50 PM  
**To:** Mike Guastella  
**Subject:** RE: Letter received at ORS regarding Halwig/Noller properties

Thank You Mike

Have a nice weekend

Chad Campbell

---

**From:** Mike Guastella [mailto:mjg@guastella.com]  
**Sent:** Friday, September 28, 2018 11:30 AM  
**To:** Campbell, Chad <ccampbe@regstaff.sc.gov>  
**Subject:** RE: Letter received at ORS regarding Halwig/Noller properties

Chad,

My administrator let me know that you called, I did receive your email. I've been in the midst of a busy travel week, I will have a response to your email this Monday. Appreciate your patience.

Regards,

Mike Guastella

*Vice President  
 Guastella Associates, LLC*

*Manager of Daufuskie Island Utility Company, Inc.*

*888-635-7878*

---

**From:** Campbell, Chad <ccampbe@regstaff.sc.gov>  
**Sent:** Tuesday, September 25, 2018 8:05 AM  
**To:** 'mjg@guastella.com' <mjg@guastella.com>  
**Subject:** Letter received at ORS regarding Halwig/Noller properties

Good Afternoon Mike:

The attached correspondence is sent pursuant to the duties and responsibilities of the Office of Regulatory Staff ("ORS") to investigate complaints and inquiries affecting the public interest as set forth in S.C. Code Ann. § 58-4-50 (2004 S.C. Act 175). The ORS has received an inquiry from Jack Smith, Esquire on behalf of Michael and Nancy Halwig and Stephan and Beverly Noller regarding costs associated with restoral of water and sewer services to their properties on Driftwood Cottage Lane, Daufuskie Island, S.C.

The ORS requests DIUC's assistance in our responding to the attached inquiry.



Please provide a response to the ORS on or before October 2, 2018. In your response, please advise what responsibilities have been conveyed to the Halwig's and Noller's with regard to the restoral of water and sewer services to their properties. Please cite the applicable Public Service Commission ("PSC") Regulations and/or language from the PSC approved tariffs for DIUC in the Company's determination of the customer's responsibility in this matter.

If you have any questions, please contact me at 803-737-5194 or via e-mail at [ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov).

Sincerely,

***Chad Campbell***  
***Supervisor, Consumer Services***  
***Office of Regulatory Staff***

1401 Main Street, Suite 900

Columbia, SC 29201

803.737.5194

1.800.922.1594

[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)

[www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov)

**Mike Guastella**

---

**From:** Guastella Admin  
**Sent:** Friday, September 28, 2018 11:03 AM  
**To:** mjpg@guastella.com  
**Subject:** Chad Campbell

Chad just called looking to follow-up to make sure that you received his email on Monday.

Sincerely,  
Carolyn Carleton  
Daufuskie Island Utility Company, Inc  
PO BOX 360  
Northborough, MA 01532  
617-423-3030

**\*\*PLEASE NOTE OUR NEW MAILING ADDRESS**

**\*\*You can now pay online at [www.DaufuskiIslandUtility.com](http://www.DaufuskiIslandUtility.com)**

(803) 737-0827

Maybe: Willie Morgan

September 10, 2018 at 10:46 AM



0:00

-0:30

Speaker

Call Back

Delete

9/7/18 0:37

home

9/7/18 0:29

unknown

9/7/18 0:20

other

9/7/18 1:12

other

9/5/18 0:04

home

9/4/18 0:42

unknown

(803) 737-5194

Maybe: Chad Campbell

October 18, 2018 at 8:38 AM



0:00

-0:09

Speaker

Call Back

Delete

10/17/18 0:30

mobile

10/11/18 0:21

home

10/10/18 0:39

other

10/3/18 1:03

other

10/3/18 0:29

home

9/17/18 0:19

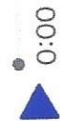
unknown



(803) 737-5194

Maybe: Chad Campbell

August 8, 2018 at 7:38 AM



0:00

-0:20

Speaker

Call Back

Delete

[Redacted]  
home

8/3/18 0:52 ⓘ

(803) 737-5194

Maybe: Chad Campbell

8/3/18 0:26 ⓘ

[Redacted]  
home

8/2/18 0:41 ⓘ

[Redacted]  
[Redacted]

8/2/18 0:23 ⓘ

[Redacted]  
home

8/2/18 0:07 ⓘ

[Redacted]  
phone

7/26/18 0:38 ⓘ

(803) 737-5194

Maybe: Chad Campbell

August 3, 2018 at 12:38 PM



0:00

-0:27

Speaker

Call Back

Delete

[Redacted]  
home

8/2/18 0:41 ⓘ

[Redacted]  
[Redacted]

8/2/18 0:23 ⓘ

[Redacted]  
home

8/2/18 0:07 ⓘ

[Redacted]  
phone

7/26/18 0:38 ⓘ

[Redacted]  
[Redacted]

7/25/18 0:31 ⓘ

[Redacted]  
[Redacted]

7/13/18 0:20 ⓘ



**Mike Guastella**

---

**From:** Mike Guastella  
**Sent:** Monday, October 01, 2018 4:22 PM  
**To:** 'Campbell, Chad'  
**Subject:** RE: Letter received at ORS regarding Halwig/Noller properties  
**Attachments:** Email Correspondance.pdf; CSA - Executed.pdf

Chad,

I've attached a copy of the executed 'Customer Service Agreement', that was sent on 1.31.18, in which you and Willie were both copied. Also included is the email correspondence between myself and Jack Smith leading up to the customers' agreeing to the terms of the 'Customer Service Agreement'.

Regards,

Mike Guastella

**Vice President**  
**Guastella Associates, LLC**

**Manager of Daufuskie Island Utility Company, Inc.**

**888-635-7878**  
**Cell# 775-267-7035**

---

**From:** Campbell, Chad <ccampbe@regstaff.sc.gov>  
**Sent:** Tuesday, September 25, 2018 8:05 AM  
**To:** 'mjg@guastella.com' <mjg@guastella.com>  
**Subject:** Letter received at ORS regarding Halwig/Noller properties

Good Afternoon Mike:

The attached correspondence is sent pursuant to the duties and responsibilities of the Office of Regulatory Staff ("ORS") to investigate complaints and inquiries affecting the public interest as set forth in S.C. Code Ann. § 58-4-50 (2004 S.C. Act 175). The ORS has received an inquiry from Jack Smith, Esquire on behalf of Michael and Nancy Halwig and Stephan and Beverly Noller regarding costs associated with restoral of water and sewer services to their properties on Driftwood Cottage Lane, Daufuskie Island, S.C.

The ORS requests DIUC's assistance in our responding to the attached inquiry.

Please provide a response to the ORS on or before October 2, 2018. In your response, please advise what responsibilities have been conveyed to the Halwig's and Noller's with regard to the restoral of water and sewer services to their properties. Please cite the applicable Public Service Commission ("PSC") Regulations and/or language from the PSC approved tariffs for DIUC in the Company's determination of the customer's responsibility in this matter.

If you have any questions, please contact me at 803-737-5194 or via email at [ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov).

Sincerely,

**Chad Campbell**  
**Supervisor, Consumer Services**  
**Office of Regulatory Staff**  
1401 Main Street, Suite 900  
Columbia, SC 29201  
803.737.5194  
1.800.922.1594  
[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)  
[www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov)

# Attachments to above email

**John Guastella**

---

**From:** Mike Guastella  
**Sent:** Monday, October 01, 2018 3:45 PM  
**To:** John Guastella  
**Subject:** FW: Driftwood Cottage Lane, Daufuskie Island

**From:** Jack Smith <[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)>  
**Sent:** Wednesday, February 07, 2018 2:32 PM  
**To:** Mike Guastella <[mjg@guastella.com](mailto:mjg@guastella.com)>  
**Subject:** RE: Driftwood Cottage Lane, Daufuskie Island

Mr. Guastella,

I have the original signed agreements for both **Mr. Halwig** and **Ms. Noller**. Please let me know the address I may send them to you.

Thanks you.

Best,

Jack

 **NELSON MULLINS**  
[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com) | 843.534.4309  
 151 Meeting Street Suite 600 | Charleston SC 29401

**From:** Mike Guastella [<mailto:mjg@guastella.com>]  
**Sent:** Wednesday, January 31, 2018 11:41 PM  
**To:** Jack Smith <[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)>  
**Subject:** RE: Driftwood Cottage Lane, Daufuskie Island

Mr. Smith,

The easement should be consistent with the Water and Sewer Pipeline maintenance easements, that are currently in place within the Melrose property development area and on record with Beaufort County. The 'Bill of Sale' should include all the details of the Main installation (plans, descriptions, costs, county filings, etc.). If DIUC produces the 'Bill of Sale' all related costs will be passed on to the customers involved, it is my recommendation that this be handled by them to help save them these extra costs. As far as the actual connection at the meter for services, we have Operators on the Island everyday including holidays between 7a-3p, this can be coordinated through our administration.

Regards,

Mike Guastella

*Vice President*  
**Guastella Associates, LLC**

*Manager of Daufuskie Island Utility Company, Inc.*



888-635-7878  
Cell# 775-267-7035

**From:** Jack Smith [mailto:[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)]  
**Sent:** Wednesday, January 31, 2018 4:51 PM  
**To:** [mig@guastella.com](mailto:mig@guastella.com)  
**Subject:** FW: Driftwood Cottage Lane, Daufuskie Island

Mr. Guastella,

I just received the proposed DUIC agreement from Mr. Sororian. Thanks very much. Please include me in correspondence with Mr. Sororian about this service, and let me know if you do not timely receive what is needed from me, Mr. Halwig or Ms. Noller to restore service.

I am working with the golf course bankruptcy purchaser/owner's attorney directly and we will provide documentation as required. I would like to discuss with you the form of bill of sale and DUIC's needs for access through the easement being prepared for the Project Mains installation and use.

Thank you.

Best regards,

Jack

**From:** Jack Smith  
**Sent:** Wednesday, January 31, 2018 4:08 PM  
**To:** '[mig@guastella.com](mailto:mig@guastella.com)' <[mig@guastella.com](mailto:mig@guastella.com)>  
**Subject:** Driftwood Cottage Lane, Daufuskie Island

Mr. Guastella,

I represent Mr. Halwig (46 Driftwood) and Ms. Noller (36 Driftwood) regarding their properties on Daufuskie and need for utility service. I have been in touch with Mr. Sororian at T&H and am contacting you to schedule a call to discuss the process for these home owners to get service from DIUC. Please reply with some availability or call me so we can be sure the process is being followed and service can be restored.

I left a voice mail for you on the DUIC general number before sending this message. Thank you for your prompt attention.

Best regards,

Jack

 **NELSON MULLINS**

**Newman Jackson Smith**

Attorney at Law

[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)

**Nelson Mullins Riley & Scarborough LLP**

Liberty Center, Suite 600

151 Meeting Street, Charleston, SC 29401

Tel: 843.534.4309

Fax: 843.534.4350

Confidentiality Notice

This message is intended exclusively for the individual or entity to which it is addressed. This communication may contain information that is proprietary, privileged, confidential or otherwise legally exempt from disclosure.

If you are not the named addressee, you are not authorized to read, print, retain, copy or disseminate this message or any part of it. If you have received this message in error, please notify the sender immediately either by phone (800-237-2000) or reply to this e-mail and delete all copies of this message.

054641 | 0900

ELECTRONICALLY FILED - 2019 January 29 2:18 PM - SCPSC - Docket # 2018-364-WS - Page 70 of 91

# Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477  
888-635-7878

BY  
EMAIL

January 30, 2018

Ms. Bev Noller  
36 Driftwood Cottage Ln  
Daufuskie Island, SC 29915

Dr. Michael Halwig  
46 Driftwood Cottage Ln  
Daufuskie Island, SC 29915

**RECEIVED**

**FEB 07 2018**

**NELSON, MULLINS**

RE: Customer Service Agreement for Customers located at  
36 & 46 Driftwood Cottage Lane

This Customer Agreement is necessary because of severe and continuous storm and tidal ocean erosion that destroyed the section of road located between 22 and 33 Driftwood Cottage Ln, containing Daufuskie Island Utility Company's ("DIUC") water and sewer facilities. Because these facilities could not be replaced as originally designed, DIUC is unable to provide service to customers located at 36 & 46 Driftwood Cottage Ln ("Customers"). As an alternative, DIUC provided Customers with a "Letter of Intent" to serve the customers by connecting to existing mains along Martinangel Ln. and install new mains and facilities ("Project Mains") through the Melrose Golf course to the Customers premises.

DIUC will serve Customers under the following terms of this agreement:

1. In order to protect other customers from sharing in the cost responsibility, it would be the responsibility of the affected Customers to have the Project Mains installed in accordance with the plans they solicited from Thomas & Hutton, at their cost.
2. The installation of the Project Mains must comply with all applicable laws, ordinances, rules, regulations and lawful orders of governmental authorities, and approved by DIUC.
3. Customers will provide DIUC with the following documents: written approval by the owners of the Melrose golf course for the Project Mains installation; easements of sufficient width for the perpetual access to repair, replace and maintain the Project Mains, invoices pertaining to all costs incurred including but not limited to, engineering, permitting and construction.
4. Upon completion of the Project Mains installation, Customers must submit detailed "as built" drawings prepared by a licensed surveyor.
5. Upon Completion of the Project Main, Customers will provide DIUC with an acknowledged bill of sale transferring them to DIUC, and they shall be and remain the property of DIUC and its heirs and successors, and will be treated as contributed for rate setting purposes.
6. The Customers shall not for any reason be entitled to any refunds with respect to the Project Mains or any future extension or use of those facilities.

Under the circumstances of the need for this agreement there will be no charge for administrative fees. Upon execution of this agreement and compliance with its provisions, service will be connected to Customers premises.

GUASTELLA ASSOCIATES, LLC

Manager of DIUC

Mike J. Guastella  
Vice President- Operations

G---:12:~  
Ms. Bev NOller

Dr. Michael Halwig 2/1/18

Cc: Willie Morgan  
Chad Campbell



**Mike Guastella**

---

**From:** Mike Guastella  
**Sent:** Thursday, October 04, 2018 5:23 PM  
**To:** 'Campbell, Chad'  
**Subject:** RE: Letter received at ORS regarding Halwig/Noller properties  
**Attachments:** DIUC Response to Inquiry 10.4.18.pdf, Email Correspondance.pdf, CSA - Executed.pdf

Chad,

Please see attached response as requested. I've also attached the previously sent documents for your convenience.

Regards,

Mike Guastella

**Vice President**  
**Guastella Associates, LLC**

**Manager of Daufuskie Island Utility Company, Inc.**

**888-635-7878**  
**Cell#: 775-267-7035**

---

**From:** Campbell, Chad <ccampbe@regstaff.sc.gov>  
**Sent:** Wednesday, October 03, 2018 11:05 AM  
**To:** Mike Guastella <mjg@guastella.com>  
**Subject:** RE: Letter received at ORS regarding Halwig/Noller properties

Mike,

Thank you for the information provided. Per our call this morning, can you provide DIUC's response to the ORS on Company letterhead. Please respond by Friday, October 5, 2018.

Please let me know if you have any questions.

Sincerely  
 Chad Campbell  
 Office of Regulatory Staff

---

**From:** Mike Guastella [<mailto:mjg@guastella.com>]  
**Sent:** Monday, October 01, 2018 4:22 PM  
**To:** Campbell, Chad <ccampbe@regstaff.sc.gov>  
**Subject:** RE: Letter received at ORS regarding Halwig/Noller properties

Chad,

I've attached a copy of the executed 'Customer Service Agreement', that was sent on 1.31.18, in which you and Willie were both copied. Also included is the email correspondence between myself and Jack Smith leading up to the customers' agreeing to the terms of the 'Customer Service Agreement'.

Regards,

Mike Guastella

*Vice President  
Guastella Associates, LLC*

*Manager of Daufuskie Island Utility Company, Inc.*

888-635-7878  
Cell# 775-267-7035

---

**From:** Campbell, Chad <[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)>  
**Sent:** Tuesday, September 25, 2018 8:05 AM  
**To:** 'mjb@guastella.com' <[mjb@guastella.com](mailto:mjb@guastella.com)>  
**Subject:** Letter received at ORS regarding Halwig/Noller properties

Good Afternoon Mike:

The attached correspondence is sent pursuant to the duties and responsibilities of the Office of Regulatory Staff ("ORS") to investigate complaints and inquiries affecting the public interest as set forth in S.C. Code Ann. § 58-4-50 (2004 S.C. Act 175). The ORS has received an inquiry from Jack Smith, Esquire on behalf of Michael and Nancy Halwig and Stephan and Beverly Noller regarding costs associated with restoral of water and sewer services to their properties on Driftwood Cottage Lane, Daufuskie Island, S.C.

The ORS requests DIUC's assistance in our responding to the attached inquiry.

Please provide a response to the ORS on or before October 2, 2018. In your response, please advise what responsibilities have been conveyed to the Halwig's and Noller's with regard to the restoral of water and sewer services to their properties. Please cite the applicable Public Service Commission ("PSC") Regulations and/or language from the PSC approved tariffs for DIUC in the Company's determination of the customer's responsibility in this matter.

If you have any questions, please contact me at 803-737-5194 or via e-mail at [ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov).

Sincerely,

**Chad Campbell**  
**Supervisor, Consumer Services**  
**Office of Regulatory Staff**  
1401 Main Street, Suite 900  
Columbia, SC 29201  
803.737.5194  
1.800.922.1594  
[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)  
[www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov)

# Attachments to above email

# Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477  
888-635-7878

## BY EMAIL

October 4, 2018

Mr. Chad Campbell  
Supervisor, Consumer Services  
1401 Main Street, Suite 900  
Columbia, SC 29201

RE: Response to Inquiry

Mr. Campbell,

This letter is in regard to your request by email for assistance in responding to a letter from Jack Smith, dated September 11, 2018. In brief, the letter is an inquiry regarding the cost responsibility of new service mains for 36 & 46 Driftwood Cottage Ln. The original service mains along with the road under which they were installed was destroyed twice by tidal and storm surges. A new road was not allowed to be built by the Melrose POA, due to DHEC not approving the construction. This left DIUC without a location to install mains. The details of this have been discussed by letter, email and by phone, with all involved parties, including but not limited to the customers, DIUC staff, members of ORS, DHEC and outside legal representatives.

In a previous email, I included a signed 'Customer Service Agreement'. This agreement was signed by Dr. Halwig and Bev Noller, the current customers at 36 & 46 Driftwood Cottage Ln. Mr. Jack Smith is the current legal representative of these customers, and provided DIUC with the signed 'Customer Service Agreement'. I've also included email correspondence between Mr. Smith and myself, in which there is no disagreement whatsoever with the cost of the construction of these mains to be the customers responsibility, as stated in the 'Customer Service Agreement' Item 1. To the best of my understanding, the newly constructed mains have been completed except for a blow off valve which I believe will be installed next week, completing the construction. It is also my understanding that the customers have already paid the contractors for this construction.

DIUC is currently waiting for the customers to provide the necessary documentation, as stated in the 'Customer Service Agreement, allowing the Utility to properly book the new facilities and take ownership through Contributions in Aid of Construction (CIAC) and submit to the local DHEC office 'an operation approval request' allowing DIUC to provide service to the customers, through the newly installed mains. This information has been provided to the office

DIUC 0075



of Mr. Jack Smith multiple times by DIUC's legal representation. Mr. Smith's inquiry is another delay in providing service to the customers through newly installed mains.

Guastella Associates, LLC  
Manager of DIUC,

A handwritten signature in black ink, appearing to read 'Mike J. Guastella', with a long horizontal line extending to the right.

Mike J. Guastella  
Vice President-Operations

**John Guastella**

---

**From:** Mike Guastella  
**Sent:** Monday, October 01, 2018 3:45 PM  
**To:** John Guastella  
**Subject:** FW: Driftwood Cottage Lane, Daufuskie Island

**From:** Jack Smith <[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)>  
**Sent:** Wednesday, February 07, 2018 2:32 PM  
**To:** Mike Guastella <[mjg@guastella.com](mailto:mjg@guastella.com)>  
**Subject:** RE: Driftwood Cottage Lane, Daufuskie Island

Mr. Guastella,  
 I have the original signed agreements for both Mr. Halwig and Ms. Noller. Please let me know the address I may send them to you.  
 Thanks you.  
 Best,  
 Jack

 **NELSON MULLINS**  
[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com) | 843.534.4309  
 151 Meeting Street Suite 600 | Charleston SC 29401

**From:** Mike Guastella [<mailto:mjg@guastella.com>]  
**Sent:** Wednesday, January 31, 2018 11:41 PM  
**To:** Jack Smith <[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)>  
**Subject:** RE: Driftwood Cottage Lane, Daufuskie Island

Mr. Smith,

The easement should be consistent with the Water and Sewer Pipeline maintenance easements, that are currently in place within the Melrose property development area and on record with Beaufort County. The 'Bill of Sale' should include all the details of the Main installation (plans, descriptions, costs, county filings, etc.). If DIUC produces the 'Bill of Sale' all related costs will be passed on to the customers involved, it is my recommendation that this be handled by them to help save them these extra costs. As far as the actual connection at the meter for services, we have Operators on the Island everyday including holidays between 7a-3p, this can be coordinated through our administration.

Regards,

Mike Guastella

*Vice President*  
*Guastella Associates, LLC*

*Manager of Daufuskie Island Utility Company, Inc.*

888-635-7878  
Cell# 775-267-7035

**From:** Jack Smith [mailto:[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)]  
**Sent:** Wednesday, January 31, 2018 4:51 PM  
**To:** [mig@guastella.com](mailto:mig@guastella.com)  
**Subject:** FW: Driftwood Cottage Lane, Daufuskie Island

Mr. Guastella,

I just received the proposed DUIC agreement from Mr. Sororian. Thanks very much. Please include me in correspondence with Mr. Sororian about this service, and let me know if you do not timely receive what is needed from me, Mr. Halwig or Ms. Noller to restore service.

I am working with the golf course bankruptcy purchaser/owner's attorney directly and we will provide documentation as required. I would like to discuss with you the form of bill of sale and DUIC's needs for access through the easement being prepared for the Project Mains installation and use.

Thank you.

Best regards,

Jack

**From:** Jack Smith  
**Sent:** Wednesday, January 31, 2018 4:08 PM  
**To:** '[mig@guastella.com](mailto:mig@guastella.com)' <[mig@guastella.com](mailto:mig@guastella.com)>  
**Subject:** Driftwood Cottage Lane, Daufuskie Island

Mr. Guastella,

I represent Mr. Halwig (46 Driftwood) and Ms. Noller (36 Driftwood) regarding their properties on Daufuskie and need for utility service. I have been in touch with Mr. Sororian at T&H and am contacting you to schedule a call to discuss the process for these home owners to get service from DIUC. Please reply with some availability or call me so we can be sure the process is being followed and service can be restored.

I left a voice mail for you on the DUIC general number before sending this message. Thank you for your prompt attention.

Best regards,

Jack



**NELSON MULLINS**

**Newman Jackson Smith**

Attorney at Law

[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)

**Nelson Mullins Riley & Scarborough LLP**

Liberty Center, Suite 600

151 Meeting Street, Charleston, SC 29401

Tel: 843.534.4309

Fax: 843.534.4350

Confidentiality Notice

This message is intended exclusively for the individual or entity to which it is addressed. This communication may contain information that is proprietary, privileged, confidential or otherwise legally exempt from disclosure.

If you are not the named addressee, you are not authorized to read, print, retain, copy or disseminate this message or any part of it. If you have received this message in error, please notify the sender immediately either by phone (800-237-2000) or reply to this e-mail and delete all copies of this message.



# Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477  
888-635-7878

BY  
EMAIL

January 30, 2018

Ms. Bev Noller  
36 Driftwood Cottage Ln  
Daufuskie Island, SC 29915

Dr. Michael Halwig  
46 Driftwood Cottage Ln  
Daufuskie Island, SC 29915

RECEIVED

FEB 07 2018

NELSON, MULLINS

RE: Customer Service Agreement for Customers located at  
36 & 46 Driftwood Cottage Lane

This Customer Agreement is necessary because of severe and continuous storm and tidal ocean erosion that destroyed the section of road located between 22 and 33 Driftwood Cottage Ln, containing Daufuskie Island Utility Company's ("DIUC") water and sewer facilities. Because these facilities could not be replaced as originally designed, DIUC is unable to provide service to customers located at 36 & 46 Driftwood Cottage Ln ("Customers"). As an alternative, DIUC provided Customers with a "Letter of Intent" to serve the customers by connecting to existing mains along Martinangel Ln. and install new mains and facilities ("Project Mains") through the Melrose Golf course to the Customers premises.

DIUC will serve Customers under the following terms of this agreement:

1. In order to protect other customers from sharing in the cost responsibility, it would be the responsibility of the affected Customers to have the Project Mains installed in accordance with the plans they solicited from Thomas & Hutton, at their cost.
2. The installation of the Project Mains must comply with all applicable laws, ordinances, rules, regulations and lawful orders of governmental authorities, and approved by DIUC.
3. Customers will provide DIUC with the following documents: written approval by the owners of the Melrose golf course for the Project Mains installation; easements of sufficient width for the perpetual access to repair, replace and maintain the Project Mains, invoices pertaining to all costs incurred including but not limited to, engineering, permitting and construction.
4. Upon completion of the Project Mains installation, Customers must submit detailed "as built" drawings prepared by a licensed surveyor.
5. Upon Completion of the Project Main, Customers will provide DIUC with an acknowledged bill of sale transferring them to DIUC, and they shall be and remain the property of DIUC and its heirs and successors, and will be treated as contributed for rate setting purposes.
6. The Customers shall not for any reason be entitled to any refunds with respect to the Project Mains or any future extension or use of those facilities.

Under the circumstances of the need for this agreement there will be no charge for administrative fees. Upon execution of this agreement and compliance with its provisions, service will be connected to Customers premises.

GUASTELLA ASSOCIATES, LLC  
Manager of DIUC,



Mike J. Guastella  
Vice President- Operations

  
Ms. Bev Noller

 2/1/18  
Dr. Michael Halwig

Cc: Willie Morgan  
Chad Campbell

# Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477  
888-635-7878

**BY EMAIL**

October 4, 2018

Mr. Chad Campbell  
Supervisor, Consumer Services  
1401 Main Street, Suite 900  
Columbia, SC 29201

RE: Response to Inquiry

Mr. Campbell,

This letter is in regard to your request by email for assistance in responding to a letter from Jack Smith, dated September 11, 2018. In brief, the letter is an inquiry regarding the cost responsibility of new service mains for 36 & 46 Driftwood Cottage Ln. The original service mains along with the road under which they were installed was destroyed twice by tidal and storm surges. A new road was not allowed to be built by the Melrose POA, due to DHEC not approving the construction. This left DIUC without a location to install mains. The details of this have been discussed by letter, email and by phone, with all involved parties, including but not limited to the customers, DIUC staff, members of ORS, DHEC and outside legal representatives.

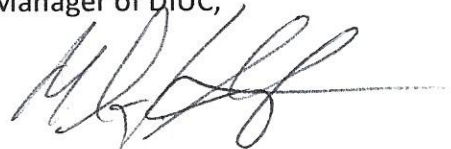
In a previous email, I included a signed 'Customer Service Agreement'. This agreement was signed by Dr. Halwig and Bev Noller, the current customers at 36 & 46 Driftwood Cottage Ln. Mr. Jack Smith is the current legal representative of these customers, and provided DIUC with the signed 'Customer Service Agreement'. I've also included email correspondence between Mr. Smith and myself, in which there is no disagreement whatsoever with the cost of the construction of these mains to be the customers responsibility, as stated in the 'Customer Service Agreement' Item 1. To the best of my understanding, the newly constructed mains have been completed except for a blow off valve which I believe will be installed next week, completing the construction. It is also my understanding that the customers have already paid the contractors for this construction.

DIUC is currently waiting for the customers to provide the necessary documentation, as stated in the 'Customer Service Agreement, allowing the Utility to properly book the new facilities and take ownership through Contributions in Aid of Construction (CIAC) and submit to the local DHEC office 'an operation approval request' allowing DIUC to provide service to the customers, through the newly installed mains. This information has been provided to the office

DIUC 0082

of Mr. Jack Smith multiple times by DIUC's legal representation. Mr. Smith's inquiry is another delay in providing service to the customers through newly installed mains.

Guastella Associates, LLC  
Manager of DIUC,

A handwritten signature in black ink, appearing to read 'Mike J. Guastella', with a long horizontal line extending to the right.

Mike J. Guastella  
Vice President-Operations



**John Guastella**

---

**From:** Mike Guastella  
**Sent:** Monday, October 01, 2018 3:45 PM  
**To:** John Guastella  
**Subject:** FW: Driftwood Cottage Lane, Daufuskie Island

**From:** Jack Smith <[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)>  
**Sent:** Wednesday, February 07, 2018 2:32 PM  
**To:** Mike Guastella <[mjg@guastella.com](mailto:mjg@guastella.com)>  
**Subject:** RE: Driftwood Cottage Lane, Daufuskie Island

Mr. Guastella,  
 I have the original signed agreements for both Mr. Halwig and Ms. Noller. Please let me know the address I may send them to you.  
 Thanks you.  
 Best,  
 Jack

 **NELSON MULLINS**  
[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com) | 843.534.4309  
 151 Meeting Street Suite 600 | Charleston SC 29401

**From:** Mike Guastella [<mailto:mjg@guastella.com>]  
**Sent:** Wednesday, January 31, 2018 11:41 PM  
**To:** Jack Smith <[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)>  
**Subject:** RE: Driftwood Cottage Lane, Daufuskie Island

Mr. Smith,

The easement should be consistent with the Water and Sewer Pipeline maintenance easements, that are currently in place within the Melrose property development area and on record with Beaufort County. The 'Bill of Sale' should include all the details of the Main installation (plans, descriptions, costs, county filings, etc.). If DIUC produces the 'Bill of Sale' all related costs will be passed on to the customers involved, it is my recommendation that this be handled by them to help save them these extra costs. As far as the actual connection at the meter for services, we have Operators on the Island everyday including holidays between 7a-3p, this can be coordinated through our administration.

Regards,

Mike Guastella

**Vice President**  
**Guastella Associates, LLC**

**Manager of Daufuskie Island Utility Company, Inc.**

888-635-7878  
Cell# 775-267-7035

---

**From:** Jack Smith [mailto:[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)]  
**Sent:** Wednesday, January 31, 2018 4:51 PM  
**To:** [mjg@guastella.com](mailto:mjg@guastella.com)  
**Subject:** FW: Driftwood Cottage Lane, Daufuskie Island

Mr. Guastella,

I just received the proposed DUIC agreement from Mr. Sororian. Thanks very much. Please include me in correspondence with Mr. Sororian about this service, and let me know if you do not timely receive what is needed from me, Mr. Halwig or Ms. Noller to restore service.

I am working with the golf course bankruptcy purchaser/owner's attorney directly and we will provide documentation as required. I would like to discuss with you the form of bill of sale and DUIC's needs for access through the easement being prepared for the Project Mains installation and use.

Thank you.

Best regards,

Jack

---

**From:** Jack Smith  
**Sent:** Wednesday, January 31, 2018 4:08 PM  
**To:** '[mjg@guastella.com](mailto:mjg@guastella.com)' <[mjg@guastella.com](mailto:mjg@guastella.com)>  
**Subject:** Driftwood Cottage Lane, Daufuskie Island

Mr. Guastella,

I represent Mr. Halwig (46 Driftwood) and Ms. Noller (36 Driftwood) regarding their properties on Daufuskie and need for utility service. I have been in touch with Mr. Sororian at T&H and am contacting you to schedule a call to discuss the process for these home owners to get service from DIUC. Please reply with some availability or call me so we can be sure the process is being followed and service can be restored.

I left a voice mail for you on the DUIC general number before sending this message. Thank you for your prompt attention.

Best regards,

Jack

 **NELSON MULLINS**

**Newman Jackson Smith**

Attorney at Law

[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)

**Nelson Mullins Riley & Scarborough LLP**

Liberty Center, Suite 600

151 Meeting Street, Charleston, SC 29401

Tel: 843.534.4309

Fax: 843.534.4350

Confidentiality Notice

This message is intended exclusively for the individual or entity to which it is addressed. This communication may contain information that is proprietary, privileged, confidential or otherwise legally exempt from disclosure.

If you are not the named addressee, you are not authorized to read, print, retain, copy or disseminate this message or any part of it. If you have received this message in error, please notify the sender immediately either by phone (800-237-2000) or reply to this e-mail and delete all copies of this message.



054041 | 0900

# Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite BI03, Jupiter, FL 33477  
888-635-7878

BY  
EMAIL

January 30, 2018

Ms. Bev Noller  
36 Driftwood Cottage Ln  
Daufuskie Island, SC 29915

Dr. Michael Halwig  
46 Driftwood Cottage Ln  
Daufuskie Island, SC 29915

RECEIVED

FEB 07 2018

NELSON, MULLINS

RE: Customer Service Agreement for Customers located at  
36 & 46 Driftwood Cottage Lane

This Customer Agreement is necessary because of severe and continuous storm and tidal ocean erosion that destroyed the section of road located between 22 and 33 Driftwood Cottage Ln, containing Daufuskie Island Utility Company's ("DIUC") water and sewer facilities. Because these facilities could not be replaced as originally designed, DIUC is unable to provide service to customers located at 36 & 46 Driftwood Cottage Ln ("Customers"). As an alternative, DIUC provided Customers with a "Letter of Intent" to serve the customers by connecting to existing mains along Martinangel Ln. and install new mains and facilities ("Project Mains") through the Melrose Golf course to the Customers premises.

DIUC will serve Customers under the following terms of this agreement:

1. In order to protect other customers from sharing in the cost responsibility, it would be the responsibility of the affected Customers to have the Project Mains installed in accordance with the plans they solicited from Thomas & Hutton, at their cost.
2. The installation of the Project Mains must comply with all applicable laws, ordinances, rules, regulations and lawful orders of governmental authorities, and approved by DIUC.
3. Customers will provide DIUC with the following documents: written approval by the owners of the Melrose golf course for the Project Mains installation; easements of sufficient width for the perpetual access to repair, replace and maintain the Project Mains, invoices pertaining to all costs incurred including but not limited to, engineering, permitting and construction.
4. Upon completion of the Project Mains installation, Customers must submit detailed "as built" drawings prepared by a licensed surveyor.
5. Upon Completion of the Project Main, Customers will provide DIUC with an acknowledged bill of sale transferring them to DIUC, and they shall be and remain the property of DIUC and its heirs and successors, and will be treated as contributed for rate setting purposes.
6. The Customers shall not for any reason be entitled to any refunds with respect to the Project Mains or any future extension or use of those facilities.



Under the circumstances of the need for this agreement there will be no charge for administrative fees. Upon execution of this agreement and compliance with its provisions, service will be connected to Customers premises.

GUASTELLA ASSOCIATES, LLC  
Manager of DIUC,



Mike J. Guastella  
Vice President- Operations

*G---:p--~*  
Ms. Bev ~~NOIIC~~

*Michael Halwig 2/1/18*  
Dr. Michael Halwig

Cc: Willie Morgan  
Chad Campbell

**Mike Guastella**

---

**From:** Mike Guastella  
**Sent:** Thursday, October 18, 2018 7:32 PM  
**To:** 'Campbell, Chad'  
**Subject:** RE: DIUC Operational Request Approval - Driftwood

Chad,

The attorney representing the customer's contacted us by email, stating that they would be complying the signed 'customer service agreement'. Since then there has been quite a bit of communications between our respective counsels. There is also quite a bit of documentation passing back and forth including an easement from Redfish Holdings (new operators of Melrose golf course) which was just received yesterday. All representing counsels are communicating to move as quickly as possible to finalize all documentation, once everyone is in agreement with the final documents and payments, we will have the customers choose a date to have service turned on so they can have someone present in the home, I can't speak to a specific date since these are not primary residences and the aforementioned process. I will be happy to provide ORS with copies of finalized documents once available.

Regards,

Mike Guastella

*Vice President  
 Guastella Associates, LLC*

*Manager of Daufuskie Island Utility Company, Inc.*

**888-635-7878**

---

**From:** Campbell, Chad <ccampbe@regstaff.sc.gov>  
**Sent:** Thursday, October 18, 2018 1:09 PM  
**To:** Mike Guastella <mjg@guastella.com>  
**Subject:** RE: DIUC Operational Request Approval - Driftwood

**Mike:**

Sorry I missed your return call.

Please provide ORS an update on the status of the turn on of water services to the Halwig and Noller properties on Driftwood Cottage Lane.

Please let me know if you have any questions.

Sincerely,

Chad Campbell  
 Office of Regulatory Staff

**From:** Mike Guastella [<mailto:mig@guastella.com>]

**Sent:** Wednesday, October 10, 2018 10:08 AM

**To:** White, Stephanie <[whitesl@dhsc.sc.gov](mailto:whitesl@dhsc.sc.gov)>

**Cc:** Thomas P. Gressette, Jr. <[Gressette@wgflaw.com](mailto:Gressette@wgflaw.com)>; Campbell, Chad <[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)>; Jack Smith <[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)>

**Subject:** RE: DIUC Operational Request Approval - Driftwood

Stephanie,

I've attached a revised 'Operational Request'. It includes signed 'bill of sale' from each customer, revised O&M and Operational Request letters, along with the other documents. We appreciate your time and assistance in this matter. Please contact me with any questions or concerns.

Regards,

Mike Guastella

*Vice President  
Guastella Associates, LLC*

*Manager of Daufuskie Island Utility Company, Inc.*

**888-635-7878**

**From:** White, Stephanie <[whitesl@dhsc.sc.gov](mailto:whitesl@dhsc.sc.gov)>

**Sent:** Tuesday, October 09, 2018 5:16 PM

**To:** Mike Guastella <[mig@guastella.com](mailto:mig@guastella.com)>

**Cc:** Thomas P. Gressette, Jr. <[Gressette@wgflaw.com](mailto:Gressette@wgflaw.com)>; Campbell, Chad <[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)>; Jack Smith <[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)>

**Subject:** RE: DIUC Operational Request Approval - Driftwood

Thank you for the information, Mike.

According to your letter, the utility is in the process of obtaining ownership of the facilities. Upon completion of the requirements to assume final ownership, please submit an updated letter confirming operation, maintenance, and ownership of the system. We will need this documentation as part of a complete operational approval request, per Regulations 61-58.1K and 61-67.100.E.7.b.

The bacteriological and chlorine residual tests were conducted on September 10<sup>th</sup> and 11<sup>th</sup>. Per Regulation 61-58.1.K.1(b), results of bacteriological and chlorine residual tests are to be conducted within 30 days of the request for final approval. Since the final ownership documentation has not been received yet, the approval request is not complete. The results will expire on October 10<sup>th</sup>. Updated test results will need to be submitted along with the operation, maintenance, and ownership letter.

Please let me know if you have any questions.

Stephanie

**Stephanie L. White**  
**Environmental Engineering Associate**

**S.C. Dept. of Health & Environmental Control**

Office: (843) 953-0163

Mobile: (843) 998-0309

Fax: (843)953-0150

Connect: [www.scdhec.gov](http://www.scdhec.gov) [Facebook](#) [Twitter](#)



---

**From:** Mike Guastella <[mjg@guastella.com](mailto:mjg@guastella.com)>

**Sent:** Tuesday, October 09, 2018 4:35 PM

**To:** White, Stephanie <[whitesl@dhec.sc.gov](mailto:whitesl@dhec.sc.gov)>

**Cc:** Thomas P. Gressette, Jr. <[Gressette@wgflaw.com](mailto:Gressette@wgflaw.com)>; Campbell, Chad <[ccampbe@regstaff.sc.gov](mailto:ccampbe@regstaff.sc.gov)>; Jack Smith <[jack.smith@nelsonmullins.com](mailto:jack.smith@nelsonmullins.com)>

**Subject:** DIUC Operational Request Approval - Driftwood

Stephanie,

I've attached the documents we discussed requesting operational approval for the new mains for Driftwood. Please advise. Appreciate your time.

Regards,

Mike Guastella

*Vice President*

*Guastella Associates, LLC*

*Manager of Daufuskie Island Utility Company, Inc.*

*888-635-7878*